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## Near East/South Asia Report

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4 February 1986

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REGIONAL AFFAIRS

ARAB LEAGUE TO DISCUSS AFRICAN-ISRAELI DIPLOMATIC TIES

Paris AL-MUSTAQBAL in Arabic 28 Dec 85 p 13

[Text] A high-level Arab source confirmed to AL-MUSTAQBAL that Arab consultations and contacts are currently taking place in connection with the holding of an emergency meeting of Arab prime ministers "at the earliest possible date," to discuss the Ivory Coast's decision to resume diplomatic relations with Israel and the possibility of other African states taking the initiative to make a similar decision. The source said, "Syria and Libya were the first to support an emergency meeting such as this."

The decision to resume relations between Israel and the Ivory Coast was announced 18 December 1985 after a meeting held in Geneva between Houphouet-Boigny, the president of the Ivory Coast, and Shim'on Peres, the Israeli prime minister.

In its issue of 13 July 1985, AL-MUSTAQBAL devoted its cover story entitled "The Secret Story of Israel's Return to Africa" to the issue of the resumption of relations between Israel and several African states. At that time, AL-MUSTAQBAL revealed that the Ivory Coast intends to restore its relations with Israel before the end of 1985. Some 26 African states had severed relations with the Jewish state immediately after the 1973 war, based on the request of several Arab nations.

The informed Arab source revealed that 6 African states are likely to restore relations after the Ivory Coast and before Zaire and Liberia. These states are Togo, Cameroon, Kenya, Gabon, Sierra Leone, and the Central African Republic.

The truth of the matter is that this decision of the Ivory Coast did not surprise the Arab states since several months ago, the Secretary General of the Arab League, Chedli Klibi, had warned several Arab states of this step by the Ivory Coast. However, no Arab decision has been made to prevent the Ivory Coast from implementing its decision. Will such a decision as this now be made?

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EGYPT

AL-SHA'B SEES TENSION IN EGYPTIAN-U.S. RELATIONS

PM180912 Cairo AL-SHA'B in Arabic 10 Dec 85 pp 1, 2

[Article by chief editor 'Adil Husayn: "Tense Relations Between President Mubarak and U.S. Administration; To Whom It May Concern: Situation Is More Serious Than You Imagine"]

[Text] Since 1981, Egyptian-U.S. relations have passed through a series of silent crises, but it appears that this time the crisis is particularly acute and is finding expression through an exchange of open messages. The U.S. Government's hijacking of a civilian Egyptian airliner was the clearest of these hostile messages and was followed by impudent statements by President Reagan containing inappropriate references to President Mubarak. We do not think that the U.S. media are quite free from official guidance. What is happening is that the media campaign has escalated in different ways. Following the tragedy of the second Egyptian plane in Malta, Joseph Kraft (the well-known commentator) wrote an article describing President Mubarak as the "sick man" of the Arab world, which is a political term used to describe countries that are hopelessly incurable and dying a slow death. The use of this term in referring to the Egyptian regime in fact sums up the Zionist-U.S. media campaign with regard to the political and economic situation in our country.

On the Egyptian side we observe the offensive references to U.S. policy that have escalated during the same period, sometimes through insinuations (by official spokesmen) and other times through writings (in government papers).

All this means to us that we might face a moment of national testing of the various political forces. The United States has several means of strength and pressure in its dealings with the proponents of the current Egyptian policy. God alone knows when the United States will stop stepping up its interference and what form such interference will take. Many signs indicate that what happened to the Egyptian plane in Malta was not far removed from the U.S. plan to involve and embarrass the Egyptian leadership.

There is no doubt that the Socialist Labor Party (and the opposition in general) aim to weaken the ruling party; indeed we aim to remove it from power since there is no hope for reform as long as the ruling party (in its present structure) remains in power. President Mubarak has linked himself to this

party and so it has become impossible to isolate the presidential institution from the party conflict. How can the Egyptian political movements be controlled so that those involved in them will not be used as cat's paws of foreign plans? In all the world's countries (including ours) there are those who are not adverse to cooperating or conniving with hostile foreign powers in order to reach office. Our question is not addressed to such people; it is addressed to those who have no interests with the enemies and those who place the national interest above anything else.

The latter group is facing an extremely embarrassing situation in that President Mubarak's good intentions are not backed by suitable political or social conditions. Should the conflict between him and the United States develop, many of those thought to be his supporters will not stand with him. We are not expecting or asking President Mubarak to replace those people by individuals from our party. Rather, we are asking for the development of democratic practice and the lifting of the restrictions that prevent the masses from making their voice heard and impede nationalist elements reaching positions of responsibility and leadership.

Our differences with the present regime over political, social, and economic matters are acute. We believe that grumbling and potential explosion beset the regime. We are making this frank warning publicly.

The present situation does not please the United States, Israel, or the Egyptian quarters that are linked to them in one way or another. At the same time we observe that for various reasons the present regime does not enjoy the support of the people with its various factions and classes. It appears that the political leadership does not see the situation the way we see it, which, in our opinion, is a disaster. Yet if the leadership knows what we know and does not make a move then the disaster is even greater.

The difficulties that any nationalist president in Egypt faces are terrible. President Mubarak has inherited a very heavy legacy, for the United States (together with the Zionists) planned during the al-Sadat regime to tighten its control on us. It has succeeded in doing so and taken precautions against any attempt in the future to escape from such control. To explain this is a lengthy affair, but it suffices to point out here that they have weakened our self-reliance and increased our reliance on them. Thus, the balance of power between us and Israel on the regional level has been upset. Israel is in a stronger position while we are in a weaker position. The balance of power between us and the United States within the international system has also been upset since we abandoned exploiting the contest and conflict between the United States and the Soviet Union, despite the acuteness of this conflict in the past few years. Such acute conflict opens a wide door to small countries to ease the pressure.

Egypt's strategic weakness was reflected in the Camp David agreement and the ensuing Egyptian-Israeli peace treaty. The agreements were not just papers that have been signed. They are a testimony to the state of balance of power, as a consequence of which we accepted what we possibly would not have accepted had we been in a better position.

What is strange is that we have reached this situation following the October 1973 war and not the June 1967 war. But we will no longer be astonished if we go back to what was achieved under Kissinger's leadership in the so-called step-by-step policy. He used to say that he meant Israel's withdrawal step by step, while in actual fact his aim was to squander the outcome of our military victory, dismantling Arab solidarity, and restructuring our position step by step to suit his objectives.

In any case, overcoming this predicament is not easy but it is not impossible. If their cunning is great our cunning, with God's help, could be greater and more dangerous. The question is to decide on beginning the journey to go back to the high point we reached in October 1973, although we admit that such a journey will be long and difficult and that, like the journey in the opposite direction, will be a step-by-step one.

But (in addition to faith in God and self-reliance) the matter requires ingenuity, cunning, and a bold heart. So, which of the political factions possess all or some of these qualities? Al-sha'b, organ of the Socialist Labor Party, will, God willing, try to say something in this regard.

/9871

CSO: 4500/57

EGYPT

## RISKS OF RELIANCE ON U.S. AID CITED

PM181612 Cairo ROSE AL-YUSUE in Arabic 16 Dec 85 pp 8, 9

[Article by Fathi Ghanim: "The Great Awakening Between Daydreaming and Egyptian Will"]

[Excerpt] Since the hijacking of the Italian ship "Achille Lauro" and the crisis that occurred in Egyptian-U.S. relations following the incident, when U.S. Air Force planes intercepted the Egyptian civilian airliner carrying the ship's Palestinian hijackers, we have realized that certain things have been clarified and that many of our stands and political and economic plans have become clearer.

For example, the dimension and implications of our relations with the United States have become clear and so have the situations which, in theory or in practice, we might face as a developing state in our relations with a superpower or a major power.

Self-reliance has also become clear to us. It has also become clear that whatever our need may be for friendship and cooperation with others in order to obtain wheat, weapons, or anything else, and the greater is our need to rely on abroad, the more likely it is that we will come under political pressure undermining our ability to make independent decisions that primarily agree with our interests, not the interest of others.

The crisis has shown us the need for a great awakening through which we can get rid of slackness, bureaucratic inertia, conditions incompatible with self-reliance, and antiquated formulas and concepts that can no longer function and need to be refurbished or replaced, as one would do with an old factory.

But this clarity of view has also revealed to us the yawning gap between theory and application, between what we are convinced is essential and what we do in actual practice. Our reliance on others is a reality that imposes itself, while self-reliance is a kind of daydreaming. Take notice of reality so that we will attempt to change it via reason and not via dreams and wishes.

Some people believe that self-reliance will be achieved automatically as soon as we break off relations with the United States, while others believe that we



should break off relations with the Soviet Union, and yet others believe that we should live in isolation. Such reactions are more shouts of anger than practicable ideas.

I have read in the American and European press many articles criticizing Egypt's administrative and economic abilities which reminded me of the challenge we faced when 'abd al-Nasir nationalized the Suez Canal. The world then rose up in anger; it was alleged that the Egyptian administration would be unable to manage the canal and there were calls for an international management under the supervision of foreign canal users. But the Egyptian administration was able to carry out exemplary management based on science and planning, and emanating from the will to take up the challenge.

In my view, we are now facing an even greater and more serious challenge than the one we faced after the Suez Canal nationalization. We are required to present an Egyptian administration enjoying the support and trust of the people as when the people rallied around the decision nationalizing the Suez Canal.

The challenge we are facing today is directly related to our basic requirements in life; our need for wheat, and to provide proper food for a population that is increasing geometrically; our need for housing; and our need for a sense of security and peace, which we have lost after we almost attained it during the period from the end of the 1956 tripartite aggression until the 1967 war.

It is said in the West, and in the American press in particular, that year after year we ask for more aid and loans. They say that the more wheat they give us the less wheat we produce and the more dependent we become on the wheat we receive from the United States. They say that we want to obtain the goods but do not pay the bills, but rather let the American maharajah pay the bills.

Frankly, what the American press says does not anger me. But what does anger me is our laxity in development and in increasing production. It is natural to say to someone who is making increasing demands on you that you can help him to a certain extent so that he can stand on his own feet and be independent. It is quite natural that you should feel perturbed and annoyed if his demands increase. It is also natural to ask yourself: What do I benefit from the assistance I give him? So I do not find what the American press says astonishing. In fact I find that such criticism is a healthy challenge to our will--the will to show a great awakening. I would say twice thank you to the United States; one thank you for the aid and assistance it gives us and another thank you because it is drawing our attention to the dangers of total reliance on such aid.

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CSO: 4500/57

EGYPT

AL-AKHBAR ON SYRIAN DESIRE TO 'APPEASE' U.S.

NC070738 Cairo MENA in Arabic 2220 GMT 6 Jan 86

[Text] Cairo, 6 Jan (MENA)--AL-AKHBAR says that the withdrawal of the Syrian ground-to-air missile batteries from the Al-Biqa' valley in Lebanon confirms the fact that Syria does not want any form of confrontation with Israel.

In an article in tomorrow's edition, Tuesday, the paper says: The Syrian regime seeks to maintain the undeclared state of peace between it and Israel. The Syrian Government, which hastened to hand over the body of the crippled U.S. citizen Klinghoffer, who met his fate during the hijacking of the Italian ship, is trying its best to appease the U.S. Administration.

AL-AKHBAR points out the contradiction in the Syrian regime's statements, saying: This regime seizes every opportunity to declare that it will continue its strategic struggle against Israel and to reemphasize very strongly that it rejects any attempt to achieve a peaceful settlement with Israel. It describes the PLO Executive Committee chairman as a traitor merely because he announced that he approves the principle of negotiations [with Israel], after a dialogue between the PLO and the United States. This regime then declares that it stands firmly at the side of its ally, the Libyan regime, against any foreign threats. This is despite the fact that it is clear that the United States has, for one reason or another, totally refrained from referring to Syria's responsibility in supporting terrorist operations.

AL-AKHBAR adds: It appears that Syria is doing all this in order to give itself the opportunity to criticize Israel's actions in South Lebanon, and to continue to issue statements in support of the Palestinian cause, when those directly concerned with this cause have wearied of dealing with Syria on the matter.

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EGYPT

PLANNING MINISTER DISCUSSES JOINT PROJECTS WITH GDR

Cairo THE EGYPTIAN GAZETTE in English 25 Dec 85 p 2

[Text]

AN agreement was reached recently between Egypt the German Democratic Republic (GDR), according to which a number of joint projects will be carried out. These schemes will cover diverse aspects of activities, aiming to boost commercial exchanges between the two countries, within the framework of the economic cooperation protocol for the year 1986, said Dr. Kamal el-Ganzouri, the Deputy Prime Minister and Minister of Planning and International Cooperation.

PROJECTS

Dr. el-Ganzouri stated that these projects comprise the sodium carbonate project in Alexandria, implemented of a cement plan in Qena, agricultural mechanisation, and

the integrated agricultural service stations in el-Nobaria. The project will also include grain silos, rice threshers and grain mills in the Delta and Alexandria. Dr. el-Ganzouri pointed out that all these enterprises will be financed through a one-million dollar loan offered by the German government last year.

TALKS

Following the economic talks which were held between Dr. el-Ganzouri and the German Prime Minister last week, Dr. el-Ganzouri returned early this week. Dr. el-Ganzouri headed the Egyptian side at the meeting of the Egyptian-German joint committee for economic cooperation which held its sessions in East Berlin last week. GSS

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EGYPT

IMMIGRATION OF SOVIET JEWS CRITICIZED

Cairo THE EGYPTIAN GAZETTE in English 27 Dec 85 p 3

[Editorial]

[Text]

AN Israeli electronics firm, according to UPI, has sold thousands of satellite dish antennas to homesick Soviet Jewish immigrants. The agency quoted a spokesman for the Panorama Co. as saying yesterday that most of the dishes had gone to neighbourhoods with heavy concentrations of Soviet Jewish immigrants. He added that the immigrants who had bought dishes "claim their lives have changed since they started receiving Soviet TV shows" and that the daily fare includes Russian ballet, music and sports.

What then do Soviet Jews find so attractive about emigrating to Israel? These people are Soviet citizens used to the Russian way of life, speaking Russian, virtually totally ignorant of the conditions in Israel and mostly without the slightest knowledge of Hebrew. The argument about the "plight" of the Soviet Jews is that they cannot practise their religion in freedom. Admittedly they are citizens of a state which advocates atheism and as such discourages religious practices. But it does not differentiate between one religion and another. It disapproves of all religions. Yet there is no actual ban on religious practices provided they do not carry with them anything that the authorities might consider harmful to the Soviet state. Of course, it is out of the question that any leading Soviet official should engage in religious practices openly. It would be impossible to think of Mr. Mikhail Gorbachev, for example, attending Christmas or Easter services in Moscow. This means that no Soviet citizens are likely to gain much promotion in any political or other sphere if they carry on religious practices apart from in the close confines of their homes or the homes of like-minded people.

The Soviet Union's anti-religion attitude entails an infringement of human rights. But this applies to Soviet Muslims and Christians just as much as to Jews. What would be the situation if millions of Soviet Christians and Muslims emigrated to countries where they could practise their religions freely? If they all left, it would mean a considerable reduction of the Soviet population, and what countries could receive so many immigrants? So surely if there is pity for the "plight" of the Soviet Jews there should be equal pity for Christians and Muslims.

Ah, Zionists will say, such an argument is "anti-Semitic". It is nothing of the sort. It is merely putting things in the right perspective. In fact it is an argument that might have saved much trouble for Soviet Jews who have gone to Israel and found themselves so homesick that they have had to buy satellite dish antennas to catch glimpses of their original homeland.

From the Arab point of view there is also a question of human rights. The more Soviet or other immigrants that Israel receives, the greater the pressure on the Palestinian population and the greater the impetus for the Israeli authorities to set up Jewish settlements in occupied Arab land to the detriment of the original inhabitants. This is a matter which needs urgent consideration in view of possible restoration of relations between the Soviet Union and Israel with resultant Soviet permission for thousands of more Jews to emigrate to Israel.

Rather than worry particularly about the situation of the Jews in the Soviet Union, the Western world should think equally about the situation of others in that country and make efforts, however difficult it may be, to see that the Soviet Union gives all its citizens religious freedom. If that ideal could come about it would save Jewish emigrants the cost of expensive satellite dish antennas to add to their financial and social problems in an unfamiliar habitat.

/9274

CSO: 4500/53

EGYPT

LUTFI, RUSHDI ON SECURITY, DEMONSTRATIONS

PM081249 Cairo AL-AKHBAR in Arabic 30 Dec 85 pp 1, 10

[Report by Sami Kamil and Majdi Najib: "Ali Lutfi Tells NDP Meeting: We Did Not Use the Emergency Law in the University Incidents"]

[Excerpt] Prime Minister Dr 'Ali Lutfi has praised officials for the partisan and political role they played in connection with the recent incidents in the universities. He said that the government did not use the emergency law because ordinary laws were sufficient for dealing with what happened. He said that Egypt's stability is threatened by many foreign elements and that there is nothing to prevent us from using the emergency law if necessary to protect Egypt and its people against any attempt to undermine their security and stability. What happened, he added, was an attempt to undermine stability by exploiting the trial of soldier Sulayman Khatir. We are at peace, he pointed out, and nothing justifies the killing of four innocent children in Sinai.

Interior Minister Major General Ahmad Rushdi, speaking at the NDP weekly meeting Saturday, said that a number of detained students have been cleared and the rest have been referred to the prosecution for interrogation. He emphasized that the situation is completely calm in all the universities and that the students have resumed their studies.

He revealed that the instigators were all detained with the approval of the prosecution department, applying the letter of the law. He added: The security forces have strict instructions not to enter the university campus on any pretext. This is a pledge we have made out of respect for the constitution and the law.

The interior minister stressed that the main security policy is this: No demonstrations or processions are allowed, and we will not hesitate to confront them. The opposition parties have their publications and hold conferences freely, but there is nothing to warrant coming out on the streets to incite and confuse people.

Maj Gen Ahmad Rushdi also said that the police did not use force against our sons, the students, and that the aim was to protect them. That is why, he added, we used only tear gas bombs. No students were injured, with the

exception of one who suffered a broken leg in the students' rush at Al-Zaqaziq University, but a large number of policemen were injured when bricks and stones were hurled at them.

The interior minister added: Egypt's security and stability are very much threatened from abroad. I have kept my promise of not resorting to the Emergency Law, but if I need it I will use it in extreme cases to preserve Egypt's security.

/9871

CSO: 4500/57

EGYPT

## GOLD MARKET STABILITY

Cairo THE EGYPTIAN GAZETTE in English 5 Dec 85 p 2

[Article by Hassan Amer]

[Text] In spite of the continuous rise in the price of the dollar and the fact that Egyptians buy gold as a saving investment, statistics reveal that the Egyptian market in gold is nearly stable. The price of one gramme of 21 carat gold was PT 1,460 in December 1983 against PT 1,550 in November 1985 with an increase of 6 percent only.

In comparison with this slight rise in the price of gold, statistics revealed that official rate of inflation reached 40 percent during the same period while the price of the dollar rose by 70 percent.

Mr Safwat Ageib, broker at Cairo Stock Exchange, said that the local gold market has not witnessed sudden changes in prices or in demand during the last few years. On the contrary, he said, the price of one gramme of 21 carat gold decreased from PT 1,460 in December 1983 to PT 1,340 in December 1984 while prices of other goods were rising.

In a bid to explain this phenomenon, Mr Abdul Moniem Shukri, Chairman of the National Bank of Egypt, said that gold is no longer the most important method of saving for Egyptians. In addition, the local banks introduced several new saving schemes which eliminated the risk of losing money due to changes in the price of gold, Mr Shukri pointed out.

Another reason for the stability of gold prices is the spread of religious groups which call for rejecting the use of gold, said Mr Youssef Allouba, Chairman of Societe De Generale Bank, pointing out that such a call resulted in a decrease in the demand on gold.

Mr Sabri Girgis, a jeweller, says that the main factor affecting the price of gold is not changes in the local market but changes in international prices. He gives an example by saying that the international price of one ounce of gold was 403 dollars in October 1983 and decreased to 364 dollars in July 1984 and to 331 dollars in December 1984 and the local price of gold followed this decrease in international prices.

Experts said that gold can compete with the dollar as a way [of] saving if it is changed into a coin with a fixed price such as is the case of commemorative coins produced by various countries.



EGYPT

# CATTLE CROSS-BREEDING INCREASES PRODUCTIVITY

Cairo THE EGYPTIAN GAZETTE in English 6 Dec 85 p 2

[Text] The Minia governorate succeeded to cross-breeding species of cattle that are distinguished by its high productivity of milk and meat, in addition to its capability of acclimatisation with the Egyptian environmental conditions, said Dr Farouk Orabi, the Counsellor of Food Sufficiency projects in the governorate.

Dr Orabi pointed out that the idea of producing such a species stems from breeding local cattle which proved unprofitable because of its poor productivity. Cattle breeders have to expend a lot to feed this kind of cattle. The cross-breeding cattle consume the same amount of fodder and yield more milk and meat.

This experiment was conducted at Malawi from where about 1,000 heads of cross-breeding cattle were produced through artificial insemination. The output was distinctive and promising. Moreover, experiment has proved that an amount of five kilogrammes of fodder consumed by local cattle, renders 700 grammes of meat. If the same quantity of fodder is used by cross-breed cattle, 1.5 kilo of meat will be given. The same can be said about the quantities of dairy as local cattle yield five litres of milk a day and the other species gives 10 liters.

Following the success of this experiment, the governorate has handed over 667 heads of cross-breed cattle to farmers with payment facilities. The governorate will also offer constant veterinary services so as to secure better methods to achieve high productivity.

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CSO: 4500/55

EGYPT

PAPER VIEWS SOLUTIONS TO TRAFFIC CONGESTION

Cairo THE EGYPTIAN GAZETTE in English 8 Dec 85 p 3

[Editorial]

[Text]

THE traffic congestion in Cairo presents a serious problem which results in flared tempers, accidents, tardy workers and endangers the lives of pedestrians.

A proposed solution to reduce the severity of this problem calls for the prohibition of the establishment of office buildings, residential flats and factories within the city through the year 2000, and to construct such projects in new urban communities throughout the country. In addition to this building moratorium, a modern urban plan should be formulated in which a solution to effect a smoother traffic flow and controls should be set forth.

Useless, decrepit buildings, which would be too expensive to renovate, should be demolished and the spaces used to construct multistorey garages, in order to provide parking for the automobiles of the residents and workers of the city. The cost of building the garages could be off-set through the assessment of hourly, daily, weekly and monthly parking fees. The construction of these garages would also decrease the necessity of parking one's automobile on the streets or squares, which would effect a reduction in the number of traffic tie-ups caused by drivers either attempting to park their vehicles on the streets or in vacating these spaces.

The proposed solution also includes the construction of two flyovers above the railway roads of Cairo-Mattariya and Cairo-Helwan, in order to resolve the traffic jams occurring in the locations of railway crossings, especially during the passing of trains.

The transfer of ministries and other governmental departments is also suggested in the plan. A number of these offices could be relocated in new communities with adequate facilities and utilities to meet their requirements. This would reduce the number of

governmental workers using the streets of the capital city, in addition to the number of citizens required to journey to the capital in order to confer with the representatives of these agencies.

The proposed plan also considers the possibility of building a ring road outside of the city and two additional bridges across the Nile. One such bridge could be built at the Al-Dahab Island and the other at the Al-Warrak Island. This construction would eliminate approximately 60,000 vehicles, daily, from using the capital's streets on their way to the governorates located in either the Delta or Upper Egypt.

The proposed plan offers many viable suggestions to eliminate the traffic problems in the city. However, the suggestions require additional analysis prior to implementation, which should be conducted in conjunction with studies with respect to increasing the number and efficiency of public transportation systems, such as the buses and the metro and also the promotion of the establishment and use of car pools by workers in the capital. These studies should be given priority by city officials, as a delay in implementing solutions will only intensify the severity of the problems.

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CSO: 4500/54

EGYPT

PETROLEUM MINISTER ANNOUNCES NATURAL GAS NETWORK

Cairo THE EGYPTIAN GAZETTE in English 8 Dec 85 p 3

[Text]

A UNIFIED national network for natural gas will be laid to link production fields with plants and power stations. A centre will be set to control and guarantee providing 250,000 houses in Cairo, 19 industrial companies and 10 power stations with their requirements of natural gas, said the Minister of Petroleum, M. Abdul Hadi Kandil.

The minister added that computers will be used in the control process. The economic studies reveal that the use of natural gas as a substitute for petroleum products saves the country 139 million annually.

Mr. Kandil also decided on the installation of a new network to provide 6 power stations, 14 industrial companies, Ramadan 10 city, Hurg-

hada and Safaga with natural gas. Four main channels will be operational from the beginning of the new year, including Abu Kir Dekhela to feed industrial companies in Ameraya, Maks and Dekhela regions, Talkhia, Tanta, Shubra el-Kheima and Damanhur to feed Shubra el-Kheima power station and Alexandria region. Studies are currently under way for laying another seven lines in various areas said the Minister.

Economic studies reveal that the use of natural gas saves almost 5.8 million tons of petroleum products including 3.4 million tons of fuel oil 1.5 million tons of gas oil and 50,000 tons of butane gas, Mr Kandil stated.

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CSO: 4500/54

EGYPT

PLAN DEvised TO BOOST TECHNICAL EDUCATION

Cairo THE EGYPTIAN GAZETTE in English 9 Dec 85 p 2

[Text]

THERE has been a large increase in the number of pupils introduced to technical education. The number of students reached 67 per cent of the total of secondary school students against the 32 per cent enrolled in general secondary schools, said the Minister of Education and Chairman of the Teachers' Union Mr. Mansour Hussein. He said that a plan has been worked out to increase the number of industrial and agricultural school students over those of commercial schools, to cover the country's requirements of productive manpower and to boost industrial and agricultural projects.

More attention will be given to boosting technical education in the coming five-year plan the Minister said. He pointed out that a project is being considered with the aim of inviting various authorities, industrial and agricultural companies, to cooperate in this domain through training technical students on mechanisation and the use of advanced industrial equipment.

The Minister affirmed that investment in education will help develop the process, without affecting the free education system, which is an acquired right for every citizen. He called on citizens to cooperate with the

Government in building and improving schools.

He urged parents to limit their dependence on private lessons which divert the pupils' interest from school classes. He said that the Ministry has worked out a new system for improving the standard of weak students through tuition groups and private lectures to be given at nominal fees.

Mr Hussein further urged teachers to improve their teaching standards to help students to qualify so that they can contribute to raising production. He also said that more stress should be laid on teaching moralities to students. GSS

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CSO: 4500/53

EGYPT

PUBLIC, PRIVATE OFFICIALS TO PROMOTE EXPORTS

Cairo THE EGYPTIAN GAZETTE in English 11 Dec 85 p 2

[Text]

DELEGATIONS will be sent to African and European countries to promote Egyptian exports, said the Manager of the Export Promotion Centre, Dr. Farouk Shakour. He added that the public and private sectors will send a delegation to Saudi Arabia to promote the export of fresh vegetables and fruits, leather products, cosmetics, perfumes, cars, furniture and medical products. He added that materials worth 2,200 million dollars were exported last year, and Egypt should redouble their efforts to achieve a similar amount of exports within the coming year. Dr. Shakour pointed out that during the next three years there will be concentration on the export of dried fruits and vegetables, medicinal herbs, frozen food products, ready-to-wear clothes, carpets and chemical products.

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CSO: 4500/53

EGYPT

SUGGESTIONS FOR INCREASING WHEAT PRODUCTION

Cairo THE EGYPTIAN GAZETTE in English 15 Dec 85 p 3

[Editorial]

[Text]

**THE country's insufficient wheat production causes both domestic and international repercussions, resulting from the country's dependence on importing vast quantities of this basic food product in order to meet local requirements.**

**Attention should be directed to determine the methods necessary to achieve increased productivity in this sector. The current methods of cultivation are out-moded and inadequate to achieve this goal and must be revised. A programme should be formulated and incorporated into the cultivation process in order to achieve this goal. Such a programme should be carried out within a specific period of time, i.e., five or ten years, with interim goals to be set forth and attained within that period.**

**The Indonesian government has implemented a programme similar to the one required and such a plan has resulted in a doubling of the output of rice in that country within a decade. This production not only meets the society's requirements for this product, but also provides a surplus for exportation. The programme is distinguished by the most effective use of the cooperative efforts between the growers and the government, without reliance on new, expensive agricultural equipment. The accomplishments of the Indonesians in the field of rice production could meet with similar success with respect to wheat production in Egypt. The following measures should be undertaken in this regard: (1) the development and provision to the growers of strains of wheat seed best suited to yield large quantities under the country's growing conditions; (2) the governmental provision of**

production, irrigation and drainage technology acquired through its research experiments; (3) the provision of loans, pesticides, fertilizers, and farm input through a bureau established solely to meet the needs of the wheat growers. The bureau should also provide a network for the growers planting a small number of feddans, in order to increase their efficiency through their joint endeavours; (4) demonstrations and educational seminars should be held in villages throughout the country, aimed at providing education and training in order to apprise the growers of the benefits to be derived through the adoption of new techniques and other educational assistance as this information is acquired and/or such techniques are developed and refined; (5) the establishment of a marketing cooperative in order to provide guidance with the marketing and pricing policies. It is important that the pricing policy be structured in order to provide incentives for the growers to expand the number of feddans cultivated with wheat, instead of crops with a free-price structure, such as clover, including the establishment of higher wheat prices to be realised by the growers and allowing them to retain a certain percentage of their crop for personal use; (6) the government's continued research in connection with this area of production, including an analysis of the feasibility of planting additional areas, not currently believed to be possible or cost-efficient for the cultivation of wheat.

Increasing the productivity of wheat could be easily and inexpensively achieved through the implementation of a plan with the foregoing measures. Achieving the goals of such a programme would decrease the necessity of importing expensive wheat from international sources, the price of which is often influenced by international politics. Further benefits to be gained are alleviating the necessity of spending foreign currency and increasing the country's revenues through the production of a surplus for exportation, thus strengthening the economy.

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CSO: 4500/54



EGYPT

# HOUSING MINISTER DISCUSSES HOUSING PROJECTS

Cairo THE EGYPTIAN GAZETTE in English 25 Dec 85 p 3

[Text] The Minister of Housing and Utilities, Mr Abdul Rahaman Labib said that the Ministry's policy at the present time concentrates on making available land suitable for building purposes and providing it with utilities and services.

At a recent meeting of the General Assembly of Housing Companies, he said that the state is mainly interested in low-cost flats that can be offered by low-income people. He requested housing companies to limit the building of luxury flats.

Within the context of this policy, housing companies are implementing a plan to expand the reconstruction of desert land. Mr Salah el-Benedari Chairman of the Public Sector Authority for Housing said that the planning of three residential districts covering 3,000 feddans around Cairo ring road is under way.

Moreover, three housing companies have prepared a plan to launch housing projects in the desert covering 19,447 feddans in Nasr City, Heliopolis, Maadi and Qatamia. The reconstruction company is also undertaking the design of the youth city at Huckstep, occupying an area of 240 feddans, having an accommodation capacity of 10,000 flats, of which 3,000 flats will be allocated for associations.

The Chairman of Heliopolis Housing Company, Mr Fadel el-Shahawi explained that the total area of the Heliopolis suburb is 79 million square metres of which 22 million square metres are already reconstructed, and the company is now preparing 14 million square metres on the Suez-Cairo road. He said that studies are currenting being conducted with the Civil Aviation Authority to use these areas for low buildings so that they will not affect aviation.

Chairman of the Nasr City Company, Mr Hazem el-Abd said that 3,350 feddans out of 6,350 feddans have been reconstructed and the tendency is now to reconstruct 14,000 feddans, of which 6,000 feddans are occupied by squatters. He pointed out that the land Agency of the Armed Forces will survey these areas and face them off as a prelude to providing them with utilities. The land will afterwards be offered for sale to individuals and the private sector.

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CSO: 4500/55

EGYPT

TEXTILE PROJECT TO PROVIDE 1,300 NEW JOBS

Cairo THE EGYPTIAN GAZETTE in English 27 Dec 85 p 2

[Text] Textile industry experts affirmed that the Ameria spinning and weaving project which has cost LE 968 million, will provide 1,300 new job opportunities and will help convert the region into an industrial zone. This project has adopted the latest advanced technology in the field of weaving and spinning. Applying such technology enables the scheme to start production as scheduled, and helps the products to find their way to export markets.

Mr Nabil Ibrahim, the Chairman of Misr Bank pointed out that this project helps implement most of the infrastructure and utilities projects in the region that have been carried out at the expense of this scheme, i.e. the state treasury has not incurred any expenditure.

The studies of the project which were conducted in 1984, have considered all aspects in order to face the possibility of variations in foreign currency exchange rates, commented Mr Mohammed Mahmoud el-Kazzaz, the Deputy Chairman of Misr Bank. He added that the production capacity expected by the end of the coming year, following the full operation of the project, could reach LE 3.7 million.

The total area on which the project was implemented is 1,500 feddans and premises were built on 600 feddans. The production of yarn is estimated at about 23,000 tons annually and the capacity of the weaving plants is 115 million square metres a year, said Mr Taha el-Kadi, the Managing-Director of the project.

El-Ameria project is making use of advanced technology, aiming to reduce production waste to international rates and this will reflect on the final cost of products. To achieve this end, a unit for exploiting cotton-weaving waste has been implemented.

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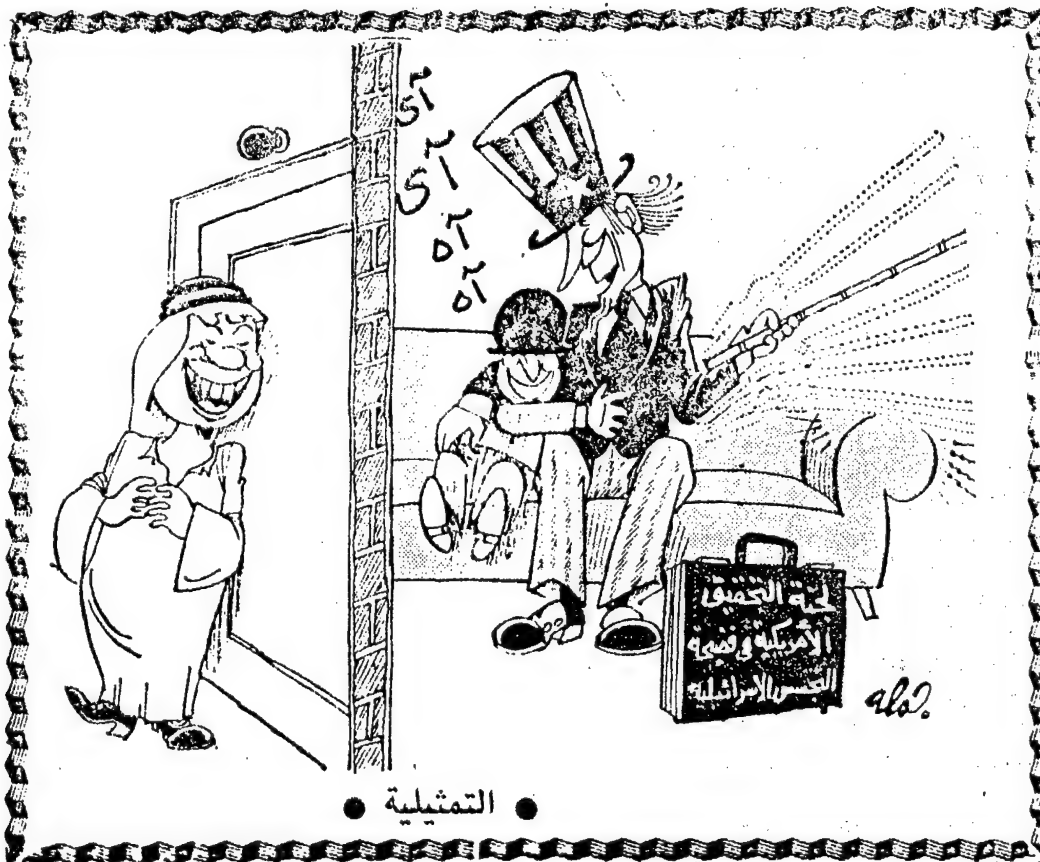
CSO: 4500/55

EGYPT

CARTOON DERIDES U.S.-ISRAELI RELATIONSHIP

Cairo AL-SHA'B in Arabic 17 Dec 85 p 10

[Cartoon]



On briefcase: American committee investigating Israeli espionage scandal

Israeli figure allegedly being beaten is saying: Ow! Ow! Oh! Oh!

Title: The Performance

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CSO: 4504/147

4 February 1986

## EGYPT

## BRIEFS

TRADE WITH USSR--The Soviet Union has approved the export of 250,000 tons of coal for Nasr Company for Coke and Chemical industries, said the Board Chairman, Mr Adel el Mozi. He added that the export process will start next January and the quantity exported will cost 25 million dollars. He also pointed out that equipment necessary for producing machinery for the company as well as spare parts will be exported at a total cost of LE 150,000. [Text] [Cairo THE EGYPTIAN GAZETTE in English 11 Dec 85 p 2] /9274

NEW PIPELINE--The Ministry of Petroleum has prepared an urgent timetable to operate the pipeline in Alamein to link the Western Desert oilfields with the Mediterranean Sea. The pipe will have a length of 167 kilometres and a diameter of 16 inches, and the laying will take 12 months to complete. The aim of operating the new pipeline is to develop Maliha and Om Mabrouk oilfields and convert them into a production depot fed by the small and newly-discovered oil fields. This will also attract foreign companies to prospect for oil in the north of the Western Desert. [Text] [Cairo THE EGYPTIAN GAZETTE in English 23 Dec 85 p 2] /9274

LAND RECLAMATION--Work is currently under way to reclaim a barren area of 15,000 feddans in San el Hagr in Sharkia governorate, within the framework of the co-operation agreement signed between Egypt and Hungary, said Under-Secretary of the Ministry of Agriculture of the governorate Mr Said el Azazi. He added that the Egyptian-Hungarian agreement also provides for producing local seeds for sunflowers and establishing comprehensive hutches for raising rabbits. He pointed out that the Ministry also decided to make use of the farmers savings, which amount to LE 450 million, to finance food sufficiency projects and the revenue will be returned to investors. [Text] [Cairo THE EGYPTIAN GAZETTE in English 10 Dec 85 p 2] /9274

NEW CITY--A project has been prepared to establish the new city of Ismailia by self-help, over an area of 1,000 feddans, east of the Suez Canal. The initial cost of the project is estimated at LE20 million. Minister of State for People's Assembly and Shura Council's Affairs Dr. Atef Ebeid, and Ismailia Governor. Mr. Abdul Moneim Emara held a meeting earlier this week to discuss the main outlines of the project prior to submitting it to the Higher Committee for Policies. The new city will contribute to the reconstruction of Sinai and of establishing new communities east of the Suez Canal. [Text] [Cairo THE EGYPTIAN GAZETTE in English 16 Dec 85 p 2] /9274

MAIZE IRRIGATION SYSTEM--The Agricultural Research Station at Gemmeza has adopted a new system for irrigating maize. The new system is that of drip-irrigation which increase output as the average production of a feddan now reaches 37 ardebs. This system of dripping also saves large quantities of water. The Manager of Delta Research Station, Dr. Mohammed Abdul Hamid said that a greater yield of maize can be achieved by adopting modern scientific methods of cultivation, making available quantities of seeds and eradicating insects and rodents. Gemmeza Research station allocated three equal areas for cultivating maize, two to be irrigated by the dripping system, and the other on the usual system of irrigation. [Text] [Cairo THE EGYPTIAN GAZETTE in English 16 Dec 85 p 2] /9274

HAYKAL INTERVIEW NOTED--Cairo, 4 Jan (MENA)--The Cairo weekly AKHBAR AL-YAWM began publishing a 2-hour comprehensive interview which the newspaper's board of editors had conducted with Muhammad Hasanayn Haykal. In this interview, Haykal said that he has no ambitions for a journalistic or political post. All he wants is to place his views and experience at the disposal of whomever may benefit from them. For the period of time during which he was not writing in Egyptian papers, Haykal said that he had never left Egypt or taken a home abroad. He noted that he had received an offer to start a newspaper in London or Paris and another offer to start one in Cairo. He also said that he had four offers to write in the Egyptian press before the AKHBAR AL-YAWM offer came up, but he had turned them all down. Haykal emphasized that he does not want any political role or position in any newspaper. However, if he has any useful experiences, then it is his duty to make them available to the public. AKHBAR AL-YAWM reported its interview with Haykal on two pages and promised to publish the full interview within the next 2 weeks. [Text] [Cairo MENA in Arabic 0620 GMT 4 Jan 86] /9871

EGYPTIAN EMBASSY EMPLOYEES KIDNAPPED--According to a security report, unidentified gunmen kidnapped three employees of the Egyptian Embassy in Corniche al-Ramlah al-Bayda' today. The three employees, who were in a taxi en route from the embassy building in Al-Ramlah al-Bayda' to Al-Hazimiyah, are 'Abd al-Hamid Ibrahim al-Sayyid, Husayn Bayyumi, and Dayfallah Muhammad 'Abbas. They were taken away in a vehicle with an unknown license number. [Text] [Beirut Domestic Service in Arabic 1300 GMT 23 Dec 85] /9871

FOREIGN MINISTER DENIES KIDNAPPINGS--Dr 'Ismat 'Abd al-Majid, deputy prime minister and foreign minister, contacted the Egyptian Interests Office in Beirut this evening. Dr 'Abd al-Majid stated that he has been assured of the safety of Egyptians working in this office and that none of them has been kidnapped. All Egyptians working in this office, he added, are now there. [Text] [Cairo Domestic Service in Arabic 1700 GMT 23 Dec 85] /9871

TRADE WITH CZECHOSLOVAKIA--Czechoslovakia is to extend a loan of 80 million dollars to the Ministry of Power. Part of the loan will be channelled to renovation and replacement processes at Talkha power-station which is currently operating at a capacity of 130,000 kilowatts. The undertaking will raise its capacity to 150,000 kilowatts. The rest of the loan will be used to build a new unit to be annexed to the station, having a capacity of 210,000 kilowatt per hour, to supply production projects in Central Delta, said the Minister of Energy, Mr Maher Abaza. [Text] [Cairo THE EGYPTIAN GAZETTE in English 4 Dec 85 p 2] /9274

OUTLAWING BEGGING PROPOSED--The first conference of its kind to discuss the phenomenon of begging met in Cairo this week. The conference, which was inaugurated by Dr Amal 'Uthman, minister of social insurance and social affairs, met in the Arab League building, which has been vacant for several years. The conference discussed the phenomenon of begging from all its social, philosophical, legislative, and religious angles. As usual the conference ended by formulating a new bill, currently before the current session of the Egyptian People's Assembly. Participating in the bill's preparation were professors of social science, philosophy, jurisprudence, criminology, and literature, as well as delegates of the executive and legislative bodies. The purpose of the bill is to forbid begging and to make it a crime. [Text] [Paris AL-MUSTAQBAL in Arabic 11 Jan 86 p 46] /8309

CSO: 4504/146

ISRAEL

INTERVIEW WITH MAJ GEN 'AMOS LAPIDOT

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Nov 85 pp 10-11, 29

[Text] The implications of an air raid go far beyond its immediate results. It is a far reaching mission with complex military and political aspects, and the decision to carry out one is based on a large array of considerations.

There is no doubt that one of the first questions to be asked, before arriving at such a decision, is: Can it be carried out in the first place? The need to answer this question turns the Air Force commander into a key person in any discussion in which his force may be called to action. From the operational-professional point of view the Air Force commander is the authority--and he bears the responsibility--to answer: Yes, we can, or no, we cannot carry out the operation.

This is true for a "routine" operation, let alone when at issue is something out of the ordinary, such as the bombing of the PLO headquarters in Tunisia.

In analyzing these considerations for BITA'ON HEYL HA'AVIR Maj Gen 'Amos Lapidot said this:

"I really felt the burden of the responsibility on my shoulders when I presented the civilian authorities with a balanced assessment of the situation. I saw it as my duty to present all relevant aspects, for or against, in the most objective manner possible. In these cases even the nuances of your voice and the intonation of the words are of importance.

"The first issue which I addressed was the effectiveness of the raid: to what extent can we damage the designated targets. And in the same breath, practically, how can we ensure that we do not hit undesigned targets, i.e., innocent civilians.

"Another issue which had to be considered was the possibility that the raid might fail, for several reasons: failure to find the target, bad weather, encountering unexpected enemy forces, and more. And if the raid were indeed to fail, what are the implications thereof: failure to attain the goal, political implications, exposure of a plan which will not then have another chance.

"Another issue which I had to address was the risk to our forces. What were the chances, statistically and based on personal intuition, that our forces might be hit. This subject is one of the more crucial ones when a decision on a raid is made. All possibilities are examined, including falling into the enemy's hands, abandonment at sea, rescue missions, etc.

"After all these arguments are presented to the decision makers, they are considered against each other and a decision is made. Obviously, the more important the operation, the higher the risk we are willing to take.

"In this specific instance, i.e., analyzing the Tunisian target, we did not expect an unusually high risk. Tunisia is not an air power and her air force was not considered to be a threat. The target region, as is well known, was not defended by anti-aircraft. We also estimated that other air forces along the Mediterranean might intercept us and foil the raid. We maintained the element of surprise, although we estimated that the presence of our planes over the Mediterranean would not be kept a secret for the duration of the mission. If this operation is to be compared with the bombing of the Iraqi reactor, the risk in Tunisia was far lower. In view of this, I estimated for the civilian authorities that the major risks were technical, because of the long range and having to fly over water.

"The long range was the major component of the Tunisian operation and the most serious challenge facing us. The distance mandated special planning, aerial refueling for the participating planes and technical alternatives. In addition, the long distance between us and the target is humming with civilian air traffic. We planned the flight while taking this into account, ensuring, above all, the safety of civilian traffic, and adherence to international laws.

"As to the effectiveness of the operation, I passed my assessment to the deciding authorities that the chance of our hitting the target was excellent, which is indeed what happened."

The Air Force commander discussed his assessment before the political cabinet committee. There were several sessions in which the chief of staff and the chief of military intelligence also participated. The outcome is well known --they decided to go ahead with the operation.

At this point the Air Force commander changed roles from presenter of the plan to the person responsible for carrying it out. Now he had to pay the note to the government. From his command post, Maj Gen 'Amos Lapidot followed the operation from its very inception, although (as he is willing to admit) he would have preferred to be in the cockpit of the lead plane.

The way he puts it: "There are certain moments in operations such as this--those moments when the pilots are concentrating on the mission and radio silence has to be maintained--and in those moments it is totally quiet. Those unfamiliar with the situation can become very tense, because all of a sudden there are no reports, everything goes dead. Everyone is in a state of uncertainty: Will they succeed or not? Were they hurt or are they o.k.? This is the moment of truth, and there is total silence then. The more



experienced among us know that the silence will soon be broken by renewed reports. The only hope is to hear that the operation was successful. This is what happened with this operation. A few minutes later we heard the report: "Mission successful. The target has been destroyed."

"All along the weather was cause for concern. We were afraid it might get in the way, to the point that we would have to cancel the mission. But, when we got closer to the scheduled time, the weather improved and it became obvious that it was not going to be a factor.

"The issue of refueling was also of some concern. This is really the point where a determination is made whether all planes are to proceed to the target. The success of this part of the mission gave me a lot of satisfaction even ahead of time: we did not have to resort to any alternative.

"Obviously we did not depend on sheer luck. Technical problems--or better still, the lack thereof--result from tremendous efforts and attention to each and every minute detail in preparing the planes and maintaining them. I should point out the high standards and the efforts by all levels of the technical staff of the Air Force, from the technicians upward. The efforts paid off."

As is well known, all contingency plans remained in the drawer and were not resorted to. The Air Force commander's assessment was correct and the goals of the missions were attained, as planned.

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CSO: 4423/61

ISRAEL

INTERVIEW WITH CHIEF OF MILITARY INTELLIGENCE

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Nov 85 pp 18-20

[Text] [Question] What are the ways with which intelligence can help the war against terrorism and what are the particular difficulties that terrorism presents to intelligence?

[Answer] Intelligence is a prerequisite for a meaningful response to terrorism, no less, and in some respects even more so, than fighting regular forces. Intelligence is both a preventive tool, designed to prevent attacks, as well as an operational means when it comes to actions against terrorism. As I understand it, terrorism should not be fought with defensive measures only. Those who plan terrorist activities are always able to identify the major security measures. Yet, the variety of social activities--the major thrust of terrorism--still leaves enough loopholes and unprotected targets against which terrorist activities can be directed. The need to employ the offensive against terrorism is what creates the need for intelligence.

Gathering intelligence against terrorism presents problems. One deals here with small, clandestine groups, who are well aware of the fact that they are followed and that they are the object of intelligence activities, as well as potential targets for those who fight terrorism. These groups try to act in long range terms and in such a way that their very survival is the main component in their activity. Intelligence activity in this case is very difficult, it requires a tremendous amount of patience and the employment of a wide range of intelligence methods. But as I mentioned, it is a prerequisite for the war against terrorism.

[Question] What does Israel know today about the PLO air capability? Is this beginning to be a threat that Israel has to take into account when assessing that kind of danger against itself?

[Answer] The PLO owns a small number of planes, mostly transport planes and helicopters for transporting both people and equipment between various locations of its wide area. As such, the PLO has no potential offensive air force. Several terrorist organizations, not necessarily PLO groups, have employed gliders in the north. With this aspect of activity, the defense system, which is responsible for the borders, has to know how to meet the challenge. There are several Palestinian pilots in some of the air forces which are somewhat removed from our immediate area who fly combat planes. Any

hostile activity by such a plane, by its very nature, will fall under the responsibility of those countries. The Air Force is geared to meet threats and confront them, regardless of the national origin of the pilot. In any event, this threat has been discussed and taken into account.

[Question] Would Israel have preferred a PLO in one place, basically pleased with itself, to a scattered, scared PLO, which is trying to prove, at all costs, its existence and adherence to its stated goals?

[Answer] Our problem is not how much the PLO is pleased with itself, but the nature and the effectiveness of terrorist activities. In Lebanon the PLO constituted a dangerous element because of two reasons: First, Lebanon is not a country in the normal sense of the word, and Israel had no address at which to lay the responsibility for PLO activities. Second, because of the absence of a central authority, Lebanon became a PLO staging ground, in which it constructed a very widespread and all encompassing infrastructure which possessed a very high potential. Anyone with but a little bit of sense could feel the PLO strength.

A beaten PLO, the way I understand it, is more preferable to Israel than the same organization making progress toward its goals. We have no common ground with the PLO objectives, not only on the level of terrorist activities, but also in the wider and deeper sense.

[Question] What, in your opinion, is the connection between the release of terrorists in the last exchange of prisoners and the rising wave of terrorism we have been witnessing recently?

[Answer] The release of the terrorists was done in exchange for the release of POW's held by the PLO. As such it was not done in the context of fighting terrorism. Any attempt to relate any one factor to the escalation of PLO activity is fallacious.

The escalation of terrorist activities stems from a whole array of reasons. A major factor is the renewed presence of terrorist bases in Jordan. This presence enables contacts with Palestinians from Judaea, Samaria, and the Gaza Strip. Another factor is the Lebanese War. Shiite activities in southern Lebanon have emphasized Israel's high sensitivity to a prolonged stay within a hostile population, within which there is an active terrorist core. In our opinion, Jordan and Lebanon are not similar. But in their opinion there is some similarity and Syrian propaganda tries to impress this on the Lebanese population. A third element is fear of progress in the political process. This causes certain elements within the terror organizations to estimate that their place and weight will only be properly recognized if terrorist activity continues. 'rafat has a need, stemming from the internal politics of the terror organizations, to prove that armed struggle and terror have not been forsaken with the establishment of political ties between himself and Jordan. He wants to have his cake and eat it too. He wants to both perform terrorist activities and win the recognitions of the Americans and Europeans by denying responsibility and thus avoiding the high political price of continued violence.

Going back to the original question. Releasing terrorists into Jordanian territory can partially be blamed for the renewed violence. It is not the major cause for it.

[Question] How, in your view, should the proponents of the political process relate to terrorism while they are in the midst of the process and have a vested interest in its progress?

[Answer] We have no choice, but to deal with terrorism with hard blows, as if there were no political alternative. At the same time we have to exhaust the political process, according to our understanding, as if there were no war against terrorism. The two are, of course, not unrelated to each other. But even in a deeper context, in order to make our basic political view understood, that we cannot negotiate with the PLO, it is necessary that terrorist activities be responded to with a proper and direct reaction.

[Question] Does terrorism from the sea point to PLO recognition that both air and land are closed to it?

[Answer] On three of Israel's sides there are countries that constitute an "address," if you will. Therefore, for internal considerations, they try to limit terrorist activities from within their borders. One of these borders is Lebanon, which is no real "address," but where the political infrastructure has been destroyed and where there is a security zone. The terrorists are limited as to air power and our air defense is effective. Therefore they are now trying the waterways. Here, too, our Navy has foiled many of their attempts. Their last 2-year record is very poor, although this in itself does not ensure us against further attempts, and even successes.

[Question] To what extent is intelligence successful in preventing terrorist activities from ever being carried out?

[Answer] Intelligence can take a lot of credit for preventing planned terrorist activities.

[Question] Would it be true to say that if not for intelligence, Arab terrorist activity would be much more serious?

[Answer] Yes.

[Question] What is the cumulative effect of bombing terrorist bases wherever they may be?

[Answer] It is a three pronged effect. One is the casualties at the strike site. The second--the creation of a way of life, in terrorist bases, which requires setting aside the resources for security, thus reducing their offensive capability. The third aspect is by the mere clarification of our position, that we mean to continue hitting the source of violent activities against us.

[Question] Does the IDF have a deterrent effect on terrorist activities?

[Answer] In the plain sense of the word, i.e., causing the other side not to commit a raid because of fear of reaction, there is not, and cannot be, a deterrent against terrorism. In my opinion, the IDF has the ability to hit terrorists in a manner understood by them, as was demonstrated in the Tunisian raid. Our war against terrorism has to be based on the willingness to hit them in such a way as to cause them to reduce their activities to a level that will allow a free and normal way of life in Israel.

[Question] Is there no way to make terrorism not pay off for the PLO in an unequivocal manner by relating Israel's reactions to terrorist attacks?

[Answer] There is a way to set a high price for terrorist activities. Terrorist activities are based, among others, on the media effect and on the fact that by being hurt they rouse the motivation within the very groups from which they recruit people for their next activity. Because of this, hitting the terrorists has both a deterrent effect and a motivating one, which causes people to join them. Together with political considerations, and this is not the forum to discuss them, war against terrorism cannot be concentrated on one final blow which will end the problem once and for all. We are dealing with a prolonged, patient war, where accuracy and effectiveness are important. The war has to be conducted with a realistic tenacity, devoid of all illusions as to the ability to completely annihilate terrorism.

[Question] How and why was the Force 17 base in Tunisia selected from among all the regional bases?

[Answer] Tunisia is simply a place, where terrorist bases are located, from which terrorist activities against Israel have been launched. Therefore it is a suitable target. The structures that were hit show our intention in that raid. 'Arafat's presence there during the raid did not constitute a factor one way or another in planning or carrying out the raid.

The raid was not intended to prove the Air Force's ability, either. We were sure of that to begin with...The goal was hitting terrorists wherever they are and proving to the PLO that there is no place from which they can launch attacks, or where they can plan them, which is immune to IDF reaction.

Another goal, outside of the framework of fighting terrorism, is making clear our willingness to use power against the true targets, while maintaining a sense of proportion, any time that we see fit and according to our considerations. In this sense we made a contribution, above and beyond the narrow sense of war against terrorism.

[Question] Did the planners and initiators of the raid have any financial considerations? Does this kind of a raid justify its cost?

[Answer] As I understand it, the very capability to carry out this kind of a raid should be within the ability of the IDF and the Air Force. There is no choice but to invest in maintaining this capability. The additional price of

the raid itself, when it is needed, is justifiable. It is a drop in the bucket considering its operational and political value.

[Question] What is your opinion, based on intelligence data, of former Chief of Staff Lt Gen Refa'el Eytan's assessment that Egypt and Jordan are trying to create a territorial continuity from which to launch an attack against Israel?

[Answer] I have no knowledge of any such plan for the next few months. In assessing a possible development over the years, especially if the peace process does not produce any results, the possibility that Egypt will return to the Arab hostile circle cannot be ignored.

[Question] As to PLO bases in Jordan, Defense Minister Rabin said, in a special interview with BIT'AON HEYL HA'AVIR, that letting the PLO back in was a double mistake on the Jordanians' part, both because of renewed Israeli defense attention to Jordan and because of the threat of a return to the dangerous situation of September 1970.

[Answer] The PLO bases are an incentive for terrorist activities, reactions and counter reactions. The situation is definitely a threat to Husayn. The defense minister, in my opinion, correctly assessed the situation.

[Question] What is your assessment of Husayn's initiative for massive arms acquisition from the United States and what does he mean by "the last chance" for peace and "time is running out?"

[Answer] King Husayn is serious in his intention to try to examine the political process in the near future. He means a process according to his terms and understanding and the participation of the PLO in the process. He does it with the understanding that time is working against him in several ways: Our activity in Judaea, Samaria, and the Gaza Strip may lead to a situation which he refers to as "irreversible facts of life, which will rule out the chance for an understanding." He refers to the Jewish population in the territories, its economic integration and other activities. His assessment is that what is happening right in front of him is a slow process in a direction from which there is no return, not even by political negotiations.

The other aspect is related to the fact that the banished PLO returned to Jordan on its knees, so to speak, in order to try to reestablish a territorial base. Even this opportunity of a weakened and beaten PLO, may pass. The third consideration is the other participants. President Reagan is in his second term in office, and as Husayn sees it, even the Israeli political environment is more open to a political process.

[Question] Is Syria planning a war against Israel in the near future?

[Answer] I am not aware of such a plan. But, to the best of my understanding, the IDF, as a defense system, has to take into account the possibility that the Syrian offensive capacity, so much strengthened within the last 3 years, may be employed because of their leaders' temptation. There is a real possibility that within several years we will find ourselves

fighting the Syrians again. Syria's policies are power seeking, extreme, and non-compromising, and she is gearing up for a confrontation.

In the short range, I believe that the Syrians understand the balance of power and know that they may find themselves in a relatively difficult situation following but a short encounter with the IDF. At the same time one cannot rule out that in view of the political process Syria may try to stir up tension and friction and may even use power in order to torpedo the process and call attention to its method for resolving the problem.

[Question] Is Syria likely to do that even before it reaches a strategic balance with Israel?

[Answer] I warn against waiting for the Syrians to acquire new MiG-29 planes or operational submarines. I don't consider any technical parameter of balance with Israel as a binding condition barring which they will avoid use of force at all costs.

[Question] Do you agree with the assessment that Israel is increasing the qualitative gap between herself and her neighbors?

[Answer] I don't think that Israel is increasing the gap. From a quantitative point of view the gap is growing against us. Qualitatively, the weapon systems acquired by the other side are creating difficulties for us as far as maintaining the present gap. Our main advantages -- the quality of our command, training, and the ability to get the most out of the complex systems at our disposal--are still such that the gap is not closing.

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CSO: 4423/61



ISRAEL

ELYAQIM HA'ETZNI PROFILED

Tel Aviv KOTERET RASHIT in Hebrew 13 Nov 85 pp 11-13

[Text] In September 1985 200 cadets arrived in Jerusalem for a series of seminars. The main subject was democracy. The education officer, full of good intentions, planned a major session for this important subject. The IDF was represented by the then Paratroop commander Brigadier General Mordekhay. The left was represented by Me'ir Pa'il and the right by attorney Elyaqim Ha'etzni.

Ha'etzni came with Na'omi Frenkel, the author who moved to Hebron. The first question dealt with democracy in Israel. The answers were unequivocal: Pa'il defended democracy, Mordekhay defended democracy, and Ha'etzni defended democracy in a long excited speech, even more so than the other two. There was a lukewarm feeling of consensus in the hall emanating from the podium. The cadets were somewhat bored. They had to listen to these platitudes since 6 a.m. Only the moderator was upset. Over the years he had heard Ha'etzni talk differently.

The second question dealt with freedom of the press. Pa'il supported it and even Brig Gen Mordekhay was in favor, at least then. But everything was dwarfed by Ha'etzni's speech. He promised to protect freedom of the press against anyone who would attack it, with no hesitation. The cadets looked at the podium with tired indifferent eyes, eyes that have not yet learned to tell truth from lies. In the future they were to hear Ha'etzni defend Jewish terrorists, and they might think that this is also part of defending democracy. At this point the moderator was no longer neutral. He said that he was apparently a less ardent supporter of freedom of the press than Ha'etzni. He would not have published Ha'etzni's article on rats. He read sections of that article to the cadets. The article was published by HADASHOT, the only publication which regularly publishes articles by Ha'etzni. Even Ha'etzni's son, who used to be a NEQUDA correspondent now works for HADASHOT as a reporter for the territories. Under the caption of "Mice, Rats, and Other Pests" Ha'etzni wrote a fable. It talks about a small Middle Eastern country which mice and rats wanted for their own. To make things worse, the strongest associations in that country were the Society Against Cruelty to the Enemy and the Society Against Cruelty to Animals. They passed a law in the parliament forbidding the catching and poisoning of rats. With this immunity, the rats multiplied, killed babies, and spread disease. In



desperation some people started to kill the rats. In the end there was a civil war among the rat killers and the law abiding citizens.

#### Ms Frenkel Became very Angry

The moderator asked Ha'etzni: "Who are the rats in your fable? Did you mean to compare Arabs to rats?" Ha'etzni was stunned. He grabbed the article from the moderator. He refused to say what he meant. He accused the moderator of distorting his words. He was going to read them again, the way he meant them. The cadets, who were awakened by Ha'etzni's screaming, applauded. Ha'etzni sat down, satisfied. It was Me'ir Pa'il's turn. "You are to blame for the Jewish underground," he yelled at Ha'etzni. "It is your fault," retorted Ha'etzni. "No, it is your fault," yelled Pa'il. The cadets responded with applause for Pa'il, too.

The applause for Pa'il did it for Ha'etzni. He got up, accused the moderator, the other participants on the podium, the IDF, he even threatened to walk out. "Go," said the moderator. Ha'etzni started to leave, with Brig Gen Mordekhay following him, trying to appease him. At this point Na'omi Frenkel got up, a small and vibrant woman. She yelled at the top of her voice. The cadets were rather surprised. They had never met anyone like her before. In the meantime Ha'etzni had left. It was impossible to hear what transpired between him and Brig Gen Mordekhay. Only muffled sounds came through. They soon died out too. Ha'etzni and Frenkel left and left behind what any hysterical outburst leaves--discomfort with what happened and a sense of relief that it was all over.

A similar feeling took hold recently with the settlers' leadership. On 11 November Ha'etzni and his supporters disrupted the Settlement Council meeting. The council is a voluntary organization, in which all settlements outside the Green Line participate. There are two delegates from each settlement, somewhat like the American Senate. In the past year Ha'etzni gradually took over the council. His speeches became longer and longer, and his attacks on members who did not agree with him became more vituperative. Some members stopped coming to meetings. On 11 November it became clear to Ha'etzni that he and his supporters were in the majority, and he passed a resolution maintaining the Peres' peace plan is "tantamount to doing away with the State of Israel as a Jewish-Zionist state. It is an illegal act and should not be tolerated." The resolution also called for signing a petition which will require those who sign it to not recognize any administration which will give up parts of the Land of Israel.

The resolution hit the settlers like a boomerang. It damaged their efforts to recruit the Likud majority who in the meantime believe in the rule of law and the hawkish element in public opinion to oppose contact with Husayn. The resolution also did damage to the efforts to obtain a pardon for the Jewish underground. If the settlers' organized council does not recognize the legitimacy of the state, all arguments for pardon make no sense. Those demanding the pardon maintain that it was a one time act. Now it turned out that the underground represented the majority of the council. With this in mind, the need to deter potential terrorists mandates carrying out the punishment to the end.

It took the council leadership 3 days to react. The council was reconvened, this time under the guidance of Rabbi Levinger, Isra'el Har'el and Beni Katzover. The three are the opponenets of the hystirical approach. A resolution was adopted which maintains that "no one is authorized to hand over parts of the Land of Israel." There is a tremendous gap between the two resolutions. Even this last phrasing was acceptable to Rabbi Levinger only because he wanted to spare further embarrassment to Ha'etzni. Ha'etzni was so angry he went to his villa in Qiryat Arba to sulk.

#### The Foreigner

Elyaqim Baumbach (Ha'etzni) is basically a foreigner, he is foreign to the culture he has adopted, to the motivations and beliefs of his colleagues, to the country for whose non-division he is willing to call a civil war. If both of Ha'etzni's feet are on the ground, it is somewhere in Koeln, Germany, from where he immigrated as a child. He is not a Holocaust survivor in the physical sense of the word, but certainly so emotionally. His accent is German, his values are derived from those of the thirties in Germany, his fears also originate there. A casual glance at captions of his articles in NEQUDA, the publication of the settlements in the territories, shows his outlook. "Is Our Sense of Survival Genetically Defective?" (26 July 85); "The Smell of a Ghetto Is Spreading Amongst Us" (24 June 85). In the latter article he actually compares the Israeli authorities in the territories to the Judenraht in Lodge. The Jewish army, he says, only fights Jews. "Fear Now," (26 April 85) is another article, where the word "fear" is written in trembling hands. In "A Medical Diary" (6 April 85) he says: "In 'Ofra, Peres was asked to let his picture be taken as he was planting a tree. Did I see all those old Jews trying to have the decree revoked by flattery?" Other articles are titled: "The Gnawing from Within," "Beirut and Hamburg," (1 February 85) and "The Weimar Republic." The rat fable is excerpted from the latter. In "A Jew Named Zies" and other antisemitic novels, Jews were described as rats taking over the land, preying on babies, and spreading disease. Ha'etzni only changed the Jews.

About a year ago Ha'etzni circulated a brochure declaring the establishment of "a communication consumer council affiliated with the Jewish Settlement Council." The brochure was intended to be a basis for a blacklist of journalists and the media that voice opinions opposed to Ha'etzni's.

Each chapter in the brochure ends with "it is your duty." A typical such duty is "to listen carefully to the IDF radio. It is here that the fighters' morale is destroyed (or enhanced)...Always think, is it for these words, for this message, that this radio station was established?" Another example, and one needs a German sense of humor to appreciate it: "Your duty: What is better than a cold glass of milk on a hot day? But find just one fly in it and your appetite is all gone. Words are the weapon of psychological warfare. It is your duty to locate the flies."

The only active member in this communication consumer council is apparently Ha'etzni himself. He does not frown upon mailing letters and telegrams to the broadcasting authority, to ministers, to members of Knesset and to the chief

of staff, protesting anything he does not like in the broadcasts. He is like an indefatigable child. At the beginning his letters aroused some concern. Ha'etzni is undoubtedly an intelligent listener and viewer. He knows how to catch journalists with their own words. Later on people started to ignore him. Ha'etzni's war against the media is another inflation casualty.

He is foreign to the cultural roots of Gush Emunim. He has been living with them for 13 years, and is likely to remain a foreigner for the rest of his life, even if he wears a knitted skull-cap and the rest of the orthodox garb. In recent speeches and articles he tries to quote the RAMBAM and other rabbis, in order to sound more convincing. There is a skull-cap in his pocket. When a 10th man is needed for a service, he gladly joins. But what separates him from the others is not religious ceremonies, but the atmosphere in which he grew. Ha'etzni, said one of his colleagues in Gush Emunim, lacks the optimism of a religious man. He also has nothing of the Hassidic spirit which unites the Gush. Starting with the worship of Rabbi Cook and all the way to dancing till daylight. He lacks that affiliation to the state that they have, which is based on years in the IDF and the reserves, usually in combat units, mostly in the company of secular colleagues with dovish philosophies. The common denominator to those who wear skull-caps and their secular army colleagues is their sense of identity with the country and the society, with being Israeli, all of which are foreign to Ha'etzni. This is why it is so easy for him and for Kahane to constantly threaten a civil war, and why it is so difficult for their other Gush Emunim colleagues.

#### The Volunteers

Ha'etzni comes from MAPAI. In the early fifties he was among the establishers of the student volunteer organization, members of MAPAI, who went to new immigrant settlements. Very soon the organization became a watchdog and exposed corruption in the government. Between 1952 and 1953 Ha'etzni canvassed Jerusalem schools looking for volunteers to work with new immigrants. Even then his speeches were inflammatory. Among the children who volunteered were Gadi Yatziv, who later served as MAPAM's secretary, and Dani Rubinshtein, a senior DAVAR correspondent. He discussed revolutionary moves with them and they were fascinated. They did not find him in the new immigrant settlements. Ha'etzni and his colleagues were sued by 'Amos Ben-Gurion. They were adopted by two more experienced and skillful men--Shmu'el Tamir and Uri Avneri. In January 1955 Moshe Sharet wrote about Ha'etzni in his diary: "The leader, Elyaqim Ha'etzni, a party member, is a proponent of a Nietzsche philosophy and has ambitions to be the nation's savior."

When the Ben-Gurion trial ended so did the movement. Ha'etzni lives, perhaps justifiably so, with a feeling of being persecuted and outcast. He studied law and concentrated on issues of reparations from Germany. He is not a great lawyer, but has always managed to make a living. His only public political escapade, up to the settlement in Mirma, was his defense of activists of The League Against Religious Coercion. He was somewhat of a "Canaanite" even in his activities on the West Bank: as a lawyer, some of his clients were Arabs who had business relations with Israelis. From time to time he publicly defended Arab legal rights. There were times when he had romantic feelings,

very European like, toward oriental flavors, a feeling which is totally foreign to his religious colleagues.

One day in 1979 the author went to the Hebron market with Ha'etzni and his wife Tzip. It was part of an interview for MONITIN. Ha'etzni stood there, in the middle of the market, sniffing the odors with delight. Tzip was less excited. She said she was pleading with her husband to take a trip overseas, in order to let go of the Arabs somewhat. He absolutely refused. The most he would agree to was a trip to Istanbul.

### The Prophet

There is no doubt that Ha'etzni considers himself a prophet. "There is a pitfall which has always been with the Jewish people," he wrote in NEQUDA, "which warns of danger ahead of time. This is why it is fated to be called the alarmist and the spreader of depression." This image repeats itself in his writing. He is the prophet who warned ahead of time against the withdrawal from the Sinai. When people started listening to him it was too late. He is the prophet who warned against the plot to return parts of the Land of Israel. No one listens to him. He is the man who warned against too soft an attitude toward the PLO, who warned against plots by Peres, Weizmann and Abrasha Tamir. He is the one who warned against the media and cooperation with Israeli opponents of annexation.

The feeling of being a foreigner only serves to strengthen Ha'etzni's sense of prophecy. Prophets have always been foreign to the candidates for redemption, from Moses to Karl Marx or even Theodore Herzl. He has a sweeping style of rhetoric. There is no speaker like him among the settlers. He has the impatience of a prophet. He can even console himself with the fact that the nation to which the prophet attached himself turns its back to him. This, too, is part of the prophets' experience. Yet, he chose himself a rather difficult career. The worn out activists, Levinger among them, prefer his legal advice, and even that only after sifting and examination. They prefer to let him have the microphone occasionally. They all beware of his political advice. They find it difficult to tolerate his loudness, his personal attacks, his long speeches. What was good for the student organization within MAPAI in the fifties is not good for the religious group which found its goal in life in the eighties. Ha'etzni lacks charisma.

He is not understood in the political system outside of Gush Emunim. He even had a short lived affair with Tehiya in 1981. It ended when he did not become a Knesset candidate and he remained hurt and bitter. Yitzhaq Rabin, who does not remember the settlers of Sebastya too favorably, is not particularly enamoured by this whole group. But when Ha'etzni keeps telling him, in Arabic, with a German accent, 'al-munazzamat' (the organizations) and 'al-hukumah taba'na' (our government), two expressions he hears from his Arab acquaintances, he has no patience with Ha'etzni's legal arguments. The same with Peres, who called him, from the Knesset podium, Eliqum or Eliqam, intentionally or otherwise, thus showing his disdainful attitude. The estrangement of Likud leaders is even more pronounced. They find it difficult to respond to his ideological demands. He argues that since the wording of the Law of Return is "the country," not "the State of Israel," then a

withdrawal from the territories is illegal. The government's legal adviser responded to this recently saying: "This is sheer nonsense, totally groundless, without any relation to the law and without any logical merit. It cannot be denied, however, that a lawyer is allowed to talk nonsense. In this context a Jerusalem lawyer should not be differentiated from a Hebron lawyer." Although Ha'etzni's speeches may be considered inflammatory, there will not be an investigation. Nothing of the sort needs to be done against prophets.

Among activists in the settlements there are those who think that Ha'etzni changed for the worse after his big failure in the Sinai, when he did not succeed in leading Gush Emunim to an extreme, uncompromising struggle against the IDF. According to this viewpoint his deterioration reached its peak when he became the architect of a coalition with Me'ir Kahane in Qiryat Arba and when he led the Settlement Council to its unfortunate decision. His pronouncements over the years show quite the opposite. Except for zigzagging about Kahane and Arabs, Ha'etzni is rather more consistent than his colleagues. He is consistent in his abhorrence of Israel's historical political system, as well as the nurturing of democracy. He is consistent in his sense of destruction, which will come, so he thinks, first with a civil war and then with an Arab invasion.

In an article he published in "The Book of the Undivided Land of Israel" he wrote: "A state and democracy are but a way of life of each nation in its country. They do not replace the people and the country, just like a hat cannot replace the head itself. The people and the country take priority over democracy." In an interview with this author in 1979 he said: "First of all we have to stop this worship of democracy. This is Fascism. Democracy, after all, is just a tool."

In a document titled "The Spiritual Shock," which Ha'etzni circulated in recent weeks among journalists, he develops the idea of the destruction of Zionism. "After voluntarily giving up land," he writes, "hundreds and thousands who today are indifferent to the territories, or even negative about them, will suddenly feel that all desire to live here has been taken away from them...There is no response and there is no cure for the spiritual doom facing the Jewish people...This is a tragedy of historical proportions, a spiritual crisis the likes of which has not been seen even during the destruction of the Temple, because this time the blow is coming from within, not from the outside."

Ha'etzni's philosophy is a mixture of legal arguments (he argues that the Genocide Act is illegal, as is the Knesset resolution on withdrawal), Hassidic arguments (when he quotes Rabbi Nahman of Bratzlav) and political ones (it does not pay the Labor party to cause a civil war). He estimates that a few thousand Jews who physically oppose the withdrawal is all that is necessary to revoke the decision. From this document one can deduce that he fancies himself a General De Gaulle, who rebelled against Marshal Petain's decision to yield to the Germans. "In the Israeli political jargon there are those who would have referred to Petain's decision as "sane." If we also have to face such a dark hour and an Israeli prime minister does to the land of the Bible what Petain did to Paris--it is not unlikely that there will be those amongst us who will conclude what De Gaulle did." And then the self pity of the

disillusioned prophet comes out: "Anyone who attacks such a regime and proclaims its illegality, as De Gaulle did to Petain, will be subject to exposure and even prosecution and suppression. This is history repeating itself." De Gaulle consoled himself with the victory of the Allies. Ha'etzni is consoling himself, for the time being, with his Qiryat Arba coalition with Rabbi Kahane.

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KUWAIT

USSR STAND ON MIDEAST CONFERENCE VIEWED

GF151632 Kuwait AL-QABAS in Arabic 14 Dec 85 pp 1, 17

/"Exclusive" report from Paris/

/Text/ A high-ranking Arab source has disclosed an important secret to AL-QABAS concerning the USSR's stand on the convocation of an international conference to settle the Arab-Israeli conflict. The source said that Soviet officials recently informed those Arab and West European countries which are concerned with the developments of the situation in the Middle East that they reject the convocation of any international conference which is attended by the permanent five Security Council members. The Soviets want this to be a conference between only the United States and the USSR, as was the case in the Geneva summit which was held after the 1973 war.

This new stand means that the USSR does not want France, the United Kingdom, or the PRC to participate in an international conference. This stand has major significance. Before discussing its outcome and dimensions, we should first know its details.

The high-ranking Arab source has disclosed the reasons behind this Soviet stand. It is based on the following major points:

1. The Soviets point out that Security Council resolutions 242 and 338 which constitute the basis for any peaceful settlement to the Arab-Israeli conflict do not call for convening an international conference to settle the conflict with the participation of the five permanent Security Council members. Rather, resolution 338 states the need for negotiations between the concerned parties to begin with an appropriate patronage.
2. The Soviets believe that an international conference should be held with the participation of the United States and the USSR which are two countries that play an important role in the Middle East issue. This conference should include all the Arab countries which are bordering Israel--Egypt, Jordan, Syria, and Lebanon, in addition to the PLO. It should also include Israel. Such conference should be held under UN sponsorship.
3. The objective behind holding an international conference will be to reach a settlement to resolve all the aspects of the Arab-Israeli conflict, and not only one aspect of this conflict.



4. The Soviets believe that after such a settlement is reached, France, the United Kingdom, and the PRC may then have some role, participating with the United States and the USSR in giving international guarantees within the Security Council for the settlement which might be reached through this conference.

The Arab source believes that Soviet officials want to exclude France, the United Kingdom, and the PRC from such an international conference and to give them only a relatively smaller role in guaranteeing the peace accords for two major reasons:

1. Moscow believes that putting the United States and the USSR on the same level of responsibility on the Middle East with France, the United Kingdom, and the PRC would be a true limitation of the USSR's role toward its responsibilities in this region. The Soviets believe that the United States and the USSR are superpowers which have major responsibilities toward the Middle East. As for the other three countries, they have minor responsibilities toward this region compared to those of Moscow and Washington.

2. The Soviets believe that the three countries' participation in an international conference would create an imbalance in this conference in which the USSR would become almost isolated. Moscow believes that the United Kingdom and France are closer to the United States than to it with regard to the Middle East issue. Apart from that, the PRC would try, because of its old dispute with Moscow, to limit the Soviets' role in such a conference if it were convened with the participation of the five permanent Security Council members. What does this Soviet stand mean in practice and what are its dimensions and results?

In fact, this stand shows that all the parties concerned with the Arab-Israeli conflict are now calling for the convocation of an international conference. However, they do not have an agreement between them, nor do they have a common understanding on how to hold this conference. The USSR wants an international conference with the participation of the United States and the USSR so that it can play a major--and not a formal or minor--role in this conference. The United States wants the international conference to be only an umbrella for direct negotiations between Jordan, Egypt, and Palestinian representatives on the one hand, and Israel on the other, and in which the USSR would not play more than a formal and a very limited role. Israeli supports the U.S. concept of an international conference. However, it asks, as a price for the USSR's formal participation in this conference, that Moscow should resume its diplomatic relations with it, or at least that the USSR should keep the door wide open for the emigration of Soviet Jews. Jordan and the PLO are calling officially, and according to the Amman accords, for the participation of the five permanent Security Council members and all parties of the conflict. Egypt publicly supports the Jordanian-Palestinian view. However, it is currently making secret contacts with Paris, London, and Washington for a possible convocation of an international conference without the USSR's participation and with the attendance of the United States, France, and the United Kingdom as members of the Security Council. Syria is calling for the convocation of an international conference to settle all aspects of the Arab-Israeli conflict. However, it does not definitely specify those who would participate in the conference.

The question which is raised in this connection is: If the parties which are directly concerned with the conflict do not have the same conception of an international conference, is it possible that such an international conference will be held in the foreseeable future? Of course not.



KUWAIT

KUWAITI PAPER REPORTS SOVIET ENVOY'S REMARKS

GF201425 Kuwait AL-SIYASAH in Arabic 19 Dec 85 p 21

/Article by As'ad al-Samman/

/Text/ Various groups of politicians, financiers, economists, and scholars met during a reception hosted by 'Abd al-'Aziz 'Abd al-Rahman Bu 'Ali, the Bahraini ambassador to Kuwait, on Bahrain's National Day. Ministers, ambassadors, financier's economists, and journalists were invited. One such gathering at the reception included Pogos Akapov, the Soviet ambassador to Kuwait, and Ahmad Bazi' al-Yasin, chairman of the Board of Directors of the Islamic Finance House. The Iraqi and Syrian ambassadors participated in the discussion.

The discussion began with talk about the benefits of the camel's milk which our fathers and forefathers used to drink and which prolonged their lives. The discussion then moved to politics and the continuation of wars among the peoples of the Third World, and the great powers' encouragement for such wars because they stand to benefit from them. A discussion then took place between the Soviet ambassador and Ahmad Bazi' al-Yasin on the Soviet stand on Arab and Muslim issues. Al-Yasin concentrated on the Soviet occupation of Afghanistan and the dispersal of the Afghan people. He also accused the Soviet Union of colluding with the United States to exploit the peoples of the Third World, occupying their land, and depleting their natural resources. Al-Yasin noted that the biggest benefit reaped is to sell arms to belligerents among Third World countries and thus the peoples of these countries remain poor, and do not invest their money in industrial and agricultural projects. He also talked about the Afghan refugees. Al-Yasin said that he had met with the U.S. ambassador to Kuwait and informed him of these views.

The Soviet ambassador replied that his country supports the freedom of peoples and liberation movements in the world, and does not interfere in the internal affairs of countries. The Soviet ambassador added: Our presence in Afghanistan is at the request of its legal government. He said that the United States, Pakistan, and other countries assist those whom he called the "opposition" with funds and weapons. He asserted that the Soviet Union is prepared to withdraw from Afghanistan when there is a halt to such foreign assistance and foreign interference in Afghanistan's internal affairs.

The Soviet ambassador said to al-Yasin: I am prepared to travel with you to Afghanistan to see the real situation in Afghanistan. He also invited him to hold an open debate in which he can voice his view on issues of interest to Arabs and Muslims and in which he can hear the Soviet Union's frank view on such issues.

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CSO: 4400/81

PALESTINIAN AFFAIRS

PLO RADIO COMMENTS ON 'HOSTILE' U.S. ATTITUDE

JN222020 Baghdad Voice of PLO in Arabic 1708 GMT 22 Dec 85

/Station commentary/

/Text/ Brothers, the U.S. position on the cause of a just Middle East peace, which can be based only on fulfillment of the full inalienable national rights of our struggling Palestinian people, remains hostile. In fact, this position continues to oppose efforts and to carry out a separate solution that cannot lead to peace or security in the region.

The U.S. position remains hostile as long as it does not recognize the PLO as the sole legitimate representative of the Palestinian people and continues its maneuvering over acceptance of the idea of an international conference with the participation of the PLO and all parties concerned on an equal footing. To be more clear, if the U.S. Administration continues to speak about the participation of certain Palestinians in the peace process without defining their political identity and to claim that the representation of the Palestinians in the peace process is still an unresolved problem--from its own viewpoint, of course--the U.S. position will remain openly hostile to just peace, the legitimate national rights of the Palestinian people, and the PLO, their sole legitimate representative. The U.S. position will not enjoy the objectivity and credibility that could make it negotiable.

Representation of the Palestinian people in the peace process, and in the international conference in particular, enjoys clear support on the Arab and international levels. Scores of Arab and international statements have been issued clearly supporting the participation of the PLO in its capacity as the sole legitimate representative of the Palestinian people in any international conference seeking a just solution that guarantees the inalienable and legitimate national rights of the Palestinian people.

It can be clearly stated that representation of the Palestinian people in the peace process is not an international or Arab problem. It is only the hostile U.S. attitude toward the Palestinian people and their aspirations and legitimate national objectives that makes this representation a problem, especially in the U.S. Administration's calculations and hostile policy. The U.S. Administration is not trying to find a solution to this problem, because it is a phony problem. Washington is trying through this phony problem to strike at and liquidate the PLO by devious means.

When Washington claims that the PLO does not represent the Palestinian people or that it was not elected by the Palestinians, as President Ronald Reagan claims, it tries in this way to find feeble substitutes for the PLO, sometimes through its Israeli protege and at other times through its Arab protege; sometimes through Israel's Village Leagues and at other times through the Arab village leagues which the Damascus regime is trying in vain to form. Indeed, Washington's fabrication of the problem of Palestinian representation, which is a foregone conclusion on the Arab and international levels, is only another attack on the PLO in order to liquidate it and create feeble substitutes. /words indistinct/ We know how to confront the U.S. attack. More than that, we know how to repulse it. We have full confidence and faith in our ability to confront and repulse it because our people's national liberation march will definitely forge ahead toward its greater national objectives. The masses of our struggling people will rally around the PLO and give it all means of strength and continuity until final victory is achieved.

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CSO: 4400/81

PALESTINIAN AFFAIRS

BRIEFS

SPAIN TO UPGRADE PLO REPRESENTATION--PNC Speaker Shaykh 'Abd al-Hamid al-Sa'ih has announced that Spain will upgrade PLO diplomatic representation in Madrid and that the PLO and Spain will sign an agreement of cooperation. Shaykh al-Sa'ih, who returned to Amman last night after a visit to Spain lasting several days, said that Spanish officials affirmed their support for the Palestinian people's inalienable legitimate rights and condemned the Zionist raid on the PLO headquarters in Tunis. In a statement disseminated by the Palestinian news agency WAFA, Shaykh al-Sa'ih added that during his visit to Spain he held talks with several officials, parliamentarians, and party representatives on developments in the Palestine question. /Baghdad Voice of PLO in Arabic 1644 GMT 22 Dec 85 JN/ 12228

PALESTINIAN PILOT MOURNED--The PLO has mourned with the masses of our struggling Palestinian people the death of Air Force Maj 'Abd al-Karim 'Uthman, who was martyred in Sanaa on 16 December as the result of a technical fault in his MiG-21 while on a normal training flight. The martyr was buried in Amman today. Brother Abu Jihad /Khalil al-Wazir/, deputy commander in chief of the Palestinian revolution forces, and a large number of officers and cadres of the Palestinian revolution attended the funeral. Here is a short biography of the martyr: Hero Martyr Maj 'Abd al-Karim 'Uthman Muhammad 'Uthman was born in the village of Kafr al-Labad, Nabulus district, in 1956. He received his elementary and preparatory education in this village. He and the members of his family then went to Kuwait, where he completed his secondary education. He joined the Palestinian revolution's ranks in 1975. The martyr defended the Palestinian revolution in several combat positions in Lebanon. In 1976 the martyr was chosen for an air force training course in Pakistan, where he graduated with the rank of lieutenant in 1978. He completed his training in the Libyan Air Force. In Libya he graduated as a trainer. Later, he was dispatched to Nicaragua to participate in defending the revolution there as a backing from the Palestinian revolution to the Nicaraguan revolution. In 1981 he was dispatched for combat course in Yugoslavia, where he graduated with high competence. He then joined the Yemeni Air Force as a combat fighter in the MiG-21. /Excerpts/ /Baghdad Voice of PLO in Arabic 1644 GMT 22 Dec 85 JN/ 12228

IRAQI AID TO PLO--AL-BAYAN has learned that the Iraqi Government has allocated 50 million Iraqi dinars of its budget for 1986 as aid to the PLO. /Text/ /Dubayy AL-BAYAN in Arabic 2 Jan 86 p 1 GF/ 12228

CSO: 4400/81

4 February 1986

## AFGHANISTAN

## PAKISTANIS LURED BY 'FREE' UNIVERSITY EDUCATION

Bangkok BANGKOK POST in English 9 Dec 85 p 4

[Text]

**Torkham, Pakistan** — Mohammad Tahir was angry at being arrested only a few metres from Afghanistan and frustrated by all the fuss Pakistani frontier officials were making over him.

"I just want to study medicine," the 20-year old protested when asked why he was illegally enrolled in the university at Jalalabad, only 65 kilometres beyond the dusty border post here.

He said several times: "I don't want to go to Moscow," but the armed militiamen who hauled him off the daily Peshawar-to-Jalalabad bus clearly did not believe it. They sent him back to Peshawar for interrogation.

The government here is getting increasingly worried by young Pakistanis like Tahir who are taking up offers of a free university education in Afghanistan and the Soviet Union.

Unlike Tahir, who claimed to find nothing strange in sneaking across the border for a medical degree, Islamabad sees the programme as a long-term project to spread communist ideas among its youth.

"They're taking students who couldn't get into our medical schools and giving them degrees that we won't recognise," said an interior ministry official in Islamabad.

"Why should they take our third-raters?" he asked. "It's for brain-washing, not for education."

Afghanistan began offering free tuition, room and board more than two years ago, the official said, but the programme is only now reaching a size that has the government worried.

The governor of North West Frontier Province (NWFP), Lieutenant-General Fazle Haq, announced last September that illegal graduates

from communist universities would be barred from government jobs in the province.

The federal government has not yet taken such a step, but Interior Minister Mohammad Aslam Khattak has accused Moscow of using grants and free housing to lure Pakistani students there.

Pakistan has cultural exchange programmes providing a few official scholarships to communist countries. The Soviet embassy in Islamabad says the government does not use most of them.

But a growing number of students have been slipping across the border without permission to study in Jalalabad, a favourite place for NWFP students because instruction is in their native Pashtu.

Some go on to Kabul, where classes are in Persian, and a few continue to Moscow, Soviet Central Asia and Eastern Europe.

Most students have opted for the five-year medical course across the border because they failed to get into medical schools at home.

According to Riaz Khan, who unlike Tahir has eluded arrest for over two years of travelling between Jalalabad and his home in Peshawar, students seeking admission to Jalalabad must belong to the left-wing National Democratic Party (NDP).

But their real interest is professional, not political.

"If I could get admitted here, I would be back tomorrow," the 24-year-old told Reuters in Peshawar.

Officials at the NWFP Home and Tribal Affairs Ministry said they knew of only 164 students in the Jalalabad medical school, but Riaz said the real number was far higher.

He said about 400 Pakistanis were now studying at Jalalabad medical

faculty, compared to only 200 Afghans, and about 40 more were in engineering.

Discipline was low, Riaz said, and customs almost the reverse of those at a Pakistani university — "Vodka is allowed but hashish is banned." Political suspicion runs high.

"The Afghans all belong to the communist party. About 50 of them work for Khad (the Afghan secret police)," he estimated.

Then, laughing, he added: "Five per cent of the Pakistanis work for Khad and another 30 per cent for Pakistani intelligence."

But Riaz's smile disappeared when he was asked about Zulfikar, another Peshawar student at Jalalabad arrested last year for spying and made to confess at a press conference in Kabul.

"I didn't know him," he sputtered. Tahir had the same nervous reaction when he heard Zulfikar's name.

The war between Muslim rebels and Soviet-Afghan forces, who have a large base at Jalalabad, is also never far away.

"Every day we see helicopter gunships firing away at the hills where they know the mujahideen (Islamic warriors) are hiding," Riaz said. Rebels sometimes stop the Peshawar-Jalalabad bus searching for Pakistanis going to the Soviet Union.

"If they find one who is going to Moscow, they kill him."

About 300 Pakistanis are now enrolled at Kabul University, Riaz said, but officials there seem to be limiting admissions to keep it from becoming as overcrowded with Pakistanis as Jalalabad is.

Once in Kabul, the students are monitored by exiled Pakistani leftist

Ajmal Khattak who selects the brighter ones for sending on to Moscow and Eastern Europe, he added.

According to the conservative Karachi weekly *Takbeer*, over 500 have been sent through Kabul on Afghan passports this year.

The largest number, 335, were sent to the Soviet Union and a few dozen apiece to Bulgaria, Cuba, Czechoslovakia, East Germany, India and Poland.

It said 290 students have returned to Pakistan this year after 18 months of training in subversion and sabotage. The Interior Ministry would neither confirm nor deny the claim.

Both Tahir and Riaz said there were no Soviet instructors in Jalalabad and medical students did not have to take Russian language courses or learn Marxist-Leninist philosophy.

Those going to the Soviet Union have to take a year of Russian lessons in Kabul, where Soviet presence is more marked, or Moscow.

Many are put off by studying in Russian, Riaz said, but there are compensations. "Most of them go for the girls."

"In Jalalabad and in Kabul, the girls are Muslim, there is no friendship. But in Russia, it is easy to get a girl."

Asked why they were taking such risks for a degree they know the government would not recognise, Tahir simply shrugged and refused to answer in front of his guards.

Riaz, talking with friends in a Peshawar video shop, was more open. "When I come back, maybe General Zia will be gone," he said, referring to President Mohammad Zia ul-Haq. "He hates this." — Reuter

/12379


CSO: 4600/171

AFGHANISTAN

FIGHTING REPORTEDLY MORE FIERCE IN KUNAR VALLEY

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 pp 22-25

[Text]

 The crops were still burning. And a fine blue smoke was drifting across the blackened terraced fields, blown in the cool breeze that came down the Kunar Valley. Beyond the smoke the Kunar River was slate grey, heavy with sediment, swollen and fast running, and beyond the river the hills were grey. Against the clean lines of the big grey river and the cold, turbulent water running flat and solid-looking in the valley bottom, the village of Saw was broken and ragged.

Not a building was undamaged and many were flattened, their wooden frames bone-like against the blue of the sky and the earthen walls torn apart. We threaded our way in, staying out of the small vegetable patches fronting the wrecked village in which, the villagers said, there were several mines that had been dropped by the planes. Step on one, they said, and a leg would whirl away ten yards and you would bleed into the soil. They had seen many things happen this summer and because of the things they had seen they did not walk carefree in the fields anymore. Neither did they walk along the major roads, many of which had been sown with mines. The hospitals in Peshawar in Pakistan were full of people who had walked on the Kunar roads this summer just gone. And many would never walk them again and feel the soil through their own two feet. Villagers would stay on the narrow paths amidst the rubble that had once been a village and which you would have had to have seen before it was bombed to know how it once looked. You could not tell now.

The Russian planes had been gone for two days but the people who had stayed in Saw village still looked anxiously at the summer sky. After an attack like that you

would, because if you had survived it once you knew that your luck might not be so good if the planes came again. The men who fly the planes know their business and when the targets are the undefended mud- and timber-built houses of peasants it is easy to do your business well.

The villagers said that the Russian planes had dropped 20 bombs, killing six and wounding 16. Most of the population had left, heading for the refugee camps of Pakistan. We had seen them on the high passes over the mountains: men, women, children, trudging along, heads down and dust-covered, the children leading cows and goats, the goats sure-footed on the narrow paths but the cows stumbling and picking their way carefully through the white, water-washed boulders of the valley bottoms and the narrow paths in the high country. None smiled. With homes gone, fields and crops gone, and only an uncertain future ahead on the other side of the mountains, there is little enough to smile about. It is a journey that three million have taken in the past six years.

They are caught in the increasing bitterness of a war that grows daily more cruel as Russian troops are frustrated by ever-stiffening resistance. One July evening, sat on a broken concrete plinth, a relic of empire just inside the Pakistan border on which are chiselled the distances to Karachi, Peshawar, Delhi, Bombay and the cities of the Raj, a man with tired eyes talked of atrocities in the village of Shegal, close by Asadabad, the capital of Kunar Province.

"The Russians came one morning in June," he said. "They came with no warning. They came to tell us that we should not assist the mujahideen."

He spoke flatly and with little emotion in his voice, as if his mind had been emptied by the horrors of what he had seen.

"They took one boy, his age was around seven, and tied a plastic rope around his genitals and pulled him around the village. He was in great pain. Then, with his genitals still tied, they used the rope to lash him to a tree. The rope was yellow. Then they shot him. They killed four other children on that morning. That was when I left. I have children. They can come any time."

There are many stories like that one. Relating others makes the horror no worse.

They were luckier in the village of Saw... if six dead and 16 wounded can be considered lucky. Saw is deeper into the Kunar Valley and to reach Saw the Russians and the Afghan forces would have to fight their way past the mujahideen of Harakat-e-Inqilab-e-Islami Afghanistan, the Muslim resistance group which controls many of the valleys and the mountains in Kunar. And so they send in the planes, Mig fighter bombers that follow the grey line of the Kunar River and, one by one, destroy the villages built at the foot of minor valleys like the Saw, which, herring-bone fashion, feed into the major Kunar Valley.

When they bombed Saw village and fired the village crops in July, the Russians already knew the cost of a ground assault along the road that runs beside the Kunar River. This summer, in June, the Soviets, for the second time this year, sent in an armoured column to break the siege at Barikot near the Pakistan border. Despite all the evidence to the contrary the Russians still, apparently, believe that they can match the mujahideen in the mountains. Afghanistan's history in the past six years suggests that the Soviets are tactically wrong.

This summer, when the Russians tried to reach Barikot, they drove only as far as Jalala, a Harakat stronghold, 16km downriver from Saw. They never saw Jalala. One truck drove closer than any others, coming to within a couple of kilometres of Jalala, watched all the way by Harakat mujahideen. The Afghan driver and the five Afghan soldiers who were in the truck lie now in a shallow grave next to some pear trees, the skeleton of the truck lies in a field of blackened maize where only the weeds grow. Ask the mujahideen how the Afghan soldiers died and they say: "They died, that's all."

They certainly died painfully. The truck is not burned, or destroyed by an explosion. The men who left it were alive when they left it. But above their grave the pears were ripening and now, as Afghanistan's winter approaches, the dusty road that was the last road they ever saw will be running with water and mud, and the raised mound of their burial place will be flattening under the falling leaves. And the place will be passed by men herding cows and carrying ploughs and the bodies in the soil will be forgotten. Only the rusting truck will mark the place.

The Russian troops that died in the Kunar Valley this year went home, their bodies taken from the battlefield beside the grey river, crated in metal coffins and loaded in the summer heat into helicopters that flew in after the mujahideen had withdrawn. "They take the Russian dead back to Russia," said Moulavi Hadrat Billal, the Harakat Commander in Kunar whose forces this June destroyed nine Soviet tanks and more than 20 trucks that had been carrying troops and supplies. "They are not so particular about taking the bodies of Afghan troops back to Kabul. Sometimes they are left here and we bury them. Sometimes."

The "sometimes" is a mere pretence at callousness. The mujahideen never leave the enemy dead — no more than their own — on the battlefield. The Russians, the Migs, the tanks, the helicopter gunships: these are problems enough. They do not want disease as well.

The place where the Russians this summer lost the battle for the Kunar Valley is just five miles from Jalala, and the Soviet hopes — and 150 men — died there, trapped in the twisted and torn metal of a convoy destroyed by anti-tank weapons and land-mines. Those who did not die in the shattered remains of vehicles fought hopelessly from behind the stone walls of the terraced fields between the road and the wide grey river behind them. And, ironically, they were dying amidst the rusting wreckage of another Soviet convoy that had attempted to control the Kunar Valley earlier this year. "They died here," said Billal, "just as before. They were easy targets."

Billal, a thin, wiry man who, with his Harakat Mujahideen, marches at a furious pace across the mountains, lives to kill Russians. Once a religious student in Kabul, he took to the hills to fight the Russians the day they marched into Afghanistan in December 1979. To kill



Russians this summer, he travelled through Kunar Province where the prospect of death is as real as the dust he breathes on the dirt roads, and as cold as the rain that beats on the blanketed figures of the mujahideen as they climb above the tree-line of the mountains.

He lives on a diet of tasteless bread; small, bitter and juice-filled summer grapes; white and still-ripening mulberries; hard green pears; and refreshing plants that he and his men find growing beneath the rocks in the thin soil in the high valleys. They eat the tough meat of goats killed on the way and occasionally, the rice they carry with them from Pakistan.

With his men, he drives to the Afghan border in battered Toyota trucks that slip and slide up the great mountain passes of Pakistan's North West Frontier Province on roads awash and breaking apart in the sudden rush of bitterly cold summer rains that freeze the mujahideen who sit in the open-backed trucks. They drive on tyres that puncture frequently, the rubber smooth as an eggshell. The commander wears casual boots, but many of his men wear plastic sandals. When you look at the feet of the men who fight the troops of the Soviet Union you see on the tough, thickened skin, the deep cracks filled with dust. And when they engage the Soviet forces they do so with rifles, many of which are 50 years old, their only modern weapons being those they take from the Russian dead. For all their fervour, all their courage, it seems a hell of a way — and a totally inadequate way — to fight a superpower.

They fight bravely, cheerfully, optimistically — and ruthlessly — against an enemy that is becoming increasingly skilled in fighting the mountain war in Kunar. In the high country now the Russians are sending in tough commando groups — Spetznaz Special Forces — who hunt the mujahideen above and below the line of the pine trees and across and through the streams of sparkling clear water tumbling over the rocks and flowing through the clear deep pools in the valley bottoms.

"They are very good," said one mujahid. "Once the Russian troops sent to Afghanistan were just boys, conscripts who did not want to be here. Or else they would be troops taken from the border region with Afghanistan because the

Russians hoped that the language similarities would be useful in pacifying the country until they found that many sympathised with us. But now, this year, things have been different. The commando groups are very good and they worry us very much." And the Russian commandos are helped by Soviet technology, which has developed a bulletproof torso jacket that stops even a bullet from a Kalashnikov AK47. "From close range the bullet knocks them down," says Billal "but it doesn't kill them. Now, to stop them we have to hit them in the head or the legs." And with many of the old rifles, and worn sights, that kind of accuracy is impossible.

But the ultimate Soviet weapon and tactic is the Mig and aerial bombardment. In combat the mujahideen fear the helicopter gunships but the long term Soviet strategy is built around the planes and the villages which are gradually emptying beneath them. Slowly the Soviets are destroying the mujahideen's support base in the countryside. Now villagers — those who are still there — complain that because of bombed and burnt crops they have food enough only for themselves and none for the mujahideen. And in the struggle for survival, violence between villagers and mujahideen is on the increase. The villagers are trapped between the demands of the mujahideen and the blue smoke of the burning crops. In the Saw Valley this summer I watched mujahideen club a villager when he refused them food.

But as long as the mulberries grow and the water flows through the valley bottoms and pours clear, clean and lovely from the face of the mountainside, the mujahideen will eat and fight on, convinced when they hide from searching Soviet helicopters that it is Allah who "blinds" the vision of the pilot and his crewmen so that they remain unseen.

Yet it is the blue smoke in the burning fields, the wreckage of Saw Village, and the steady stream of refugees straggling over the mountains which is the picture you remember. There will always be more burned villages, more people walking the dusty roads of Kunar and climbing towards the mountain tops then there will ever be burned Soviet tanks and Russian dead.

In Peshawar, in the Red Cross hospital, there was a young man with one leg and no

left hand. The scar of the surgeon's knife was still new and the wound was raw above the place where the hand had been. When he shook hands you found that he had only two fingers on his right hand and knew he would never again catch in his palms the water tumbling over the rocks in the Kunar Valley. And you can be sure that in the bitter struggle for Afghanistan there will be many more like him. They will be young, brave, crippled, scarred, broken... and, like the country they fight for, undefeated. □

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CSO: 4600/168

AFGHANISTAN

LEADER'S LAST INTERVIEW REFLECTS HOPE

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 p 25

[Text]

 A graduate from Dar-ul-Uloom Akoura, Moulvi Ahmed Gul was a military commander of the mujahideen in Paktia province, and served on the Central Committee (Majlis-e-Shoura) of the seven-party Islamic Alliance of Afghanistan. He was appointed Chief Justice in Paktia by the Alliance and was also head of training and education for Hizb-i-Islami (Yunus Khalis group).

Moulvi Ahmed Gul had organised several demonstrations against the Daud administration during the 1970's in Gardez and Khost and was one of the first of the ulema to proclaim the jihad in Afghanistan. He was later imprisoned for six months at Gardez, accused of the murder of the governor of Argun province. He gave his last interview to Muhammed Salahuddin of *Takbir*, in early August.

**Could you tell us something about the communists in Afghanistan?**

Communist sympathisers and workers have never numbered more than 45,000. Hard core communists number not more than 5,000. Their cause has been significantly weakened by the Soviet invasion. The Soviet imperialists use them as trouble-shooters and as cannon fodder; ordinary people regard them as quislings and national traitors.

**What is the position regarding Muslims from Central Asia in Afghanistan?**

The Soviet imperialists initially brought a large number of Central Asian Muslims into Afghanistan, telling them that they would build roads and bridges. The majority of these Muslims refused to fight against the mujahideen. They sought to establish friendly relations with the Afghans and were very eager to acquire copies of the Holy Quran. Armed struggle has in fact already begun in some parts of Central Asia and the Soviet imperialists are mortally afraid that this Central Asian jihad might link up with the Afghan resistance. Such links are developing rapidly. This has induced the Soviet imperialists to send back their Central Asian soldiers and replace them with men from the western provinces of the USSR.

**What is the actual military situation in Afghanistan today?**

95 per cent of the population actually support the jihad and the mujahideen who currently control more than 80 per cent of the country. The Soviet imperialists control only the large cities. Even there, the imperialists face a never-ending guerilla war which has inflicted severe damage on them. The puppet Karmal administration has no existence in the towns and villages of Afghanistan. Even in the cities, it is a mere servant of the Soviet imperialists. The Soviet acceptance of the Geneva negotiation process is an indication of the weakness of the enemy forces and their realisation that they can never win a military victory in Afghanistan. □

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CSO: 4600/168

AFGHANISTAN

BRIEFS

DEADLY CURRENCY--The Afghan currency--known as the Afghani--is no longer in widespread use as a medium of exchange in the liberated areas. Trade and exchange is based on the Kalashnikov rifle and its ammunition. The price of mules, property and consumer durables are fixed in Kalashnikovs. The Shariah courts impose fines denominated in this new currency, and taxes are also collected in Kalashnikovs. Kalashnikov rifles have been captured in very large quantities from the occupation forces. Each rifle costs about Rs16,000 (£730). Small and everyday transactions are thus not conducted in this currency--although bullets often feature in barter deals. The Pakistani rupee is rapidly replacing the Afghani as the new unit of account in which such transactions are denominated in the liberated areas. [Text] [East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 p 24] /12379

CSO: 4600/168

BANGLADESH

TEXT OF DOCUMENTS FROM DHAKA SUMMIT MEETING

Text of Declaration

Calcutta THE TELEGRAPH in English 9 Dec 85 p 6

[Text]

*This is the text of the declaration adopted at the first summit of South Asian nations.*

The President of Bangladesh, the King of Bhutan, the Prime Minister of India, the President of Maldives, the King of Nepal, the President of Pakistan and the President of Sri Lanka met in Dhaka on December 7 and 8 1985.

The heads of state and government underscored the historic significance of their first ever South Asian summit meeting.

They considered it to be a tangible manifestation of their determination to cooperate regionally, to work together towards finding solutions towards their common problems in a spirit of friendship, trust and mutual understanding and to the creation of an order based on mutual respect, equity and shared benefits.

They recognised that periodic meetings at their level were central to the promotion of mutual trust, confidence and cooperation among their countries.

The heads of state and government reaffirmed that their fundamental goal was to accelerate the process of economic and social development in their respective countries through the optimum utilisation of their human and material resources, so as to promote

the welfare and prosperity of their peoples and to improve their quality of life. They were conscious that peace and security was an essential prerequisite for the realisation of this objective.

The leaders of the South Asian countries reaffirmed their commitment to the UN Charter and the principles governing sovereign equality of states, peaceful settlement of disputes, non-interference in internal affairs and non-use or threat of use of force against the territorial integrity and political independence of other states.

They reiterated that the United Nations constituted the most important forum for the resolution of all issues affecting international peace and security.

They also reaffirmed their deep conviction in the continuing validity and relevance of the objectives of the nonaligned movement as an important force in international relations.

The heads of state and government acknowledged that the countries of South Asia, who constituted one-fifth of humanity were faced with the formidable challenges of poverty, economic backwardness, low levels of production, unemployment and pressure of population compounded by exploitation of the past and other adverse legacies.

They felt that, bound as their countries were by many common values rooted in their social, ethnic, cultural and historical traditions, regional cooperation provided a logical response to these problems.

They were conscious of their individual and regional strengths, their potential as a huge market, their substantial human and natural resources and the complementary ties of their economies.

They were confident that with effective regional cooperation, they could make optimum use of these capacities for the benefit of their peoples, accelerate the pace of their economic development and enhance their national and collective self-reliance.

They were convinced that their countries, which had made important contributions to the enrichment of human civilisation, could together play their due role in international relations and influence decisions which affected them.

The heads of state and government emphasised that strengthening of regional cooperation in South Asia required greater involvement of their peoples. They agreed to increase interaction and further promote people-to-people contacts at various levels among their countries. To this

**They also expressed concern over the diminishing capacity of international financial and technical institutions to respond effectively to the needs of the disadvantaged and poorer countries and regretted that the spirit of multilateral cooperation had begun to falter and weaken**

end, they decided to take steps to create awareness and public opinion in the region.

The heads of state and government welcomed the progress already made in the implementation of the integrated programme of action in the nine mutually agreed areas. They expressed their desire to consolidate and further expand cooperative efforts within an appropriate institutional framework in a spirit of partnership and equality.

The leaders were convinced that they could effectively pursue their individual and collective objectives and improve the quality of life of their peoples only in an atmosphere of peace and security.

In this context, they expressed concern at the deteriorating international political situation. They were alarmed at the unprecedented escalation of arms race particularly in its nuclear aspect.

They recognised that mankind today was confronted with the threat of self-extinction arising from a massive accumulation of the most destructive weapons ever produced. The arms race intensified international tension and violated the principles of the UN Charter.

The leaders called upon the nuclear weapons-states for urgent negotiations for a comprehensive test ban treaty leading to the complete cessation of testing, production and deployment of nuclear weapons.

In this connection, they welcomed the recent meeting between President Reagan and General Secretary Gorbachyov in Geneva and expressed the hope that the meeting would have a positive effect on international peace and security.

The heads of state and government expressed deep concern at the continuing crisis in the global economy. They underscored that deteriorating economic and social conditions had seriously retarded development prospects in South Asia and other developing countries.

Sharply falling commodity prices, deterioration in the terms of trade, intensification of protectionist measures, spiralling debt burden and a decline in the flow of external resources, especially concessional assistance, had caused a serious setback to the economic development of the developing countries. These had been compounded by natural disasters and precarious world food security situation affecting developing countries.

They also expressed concern over the diminishing capacity of international financial and technical institutions to respond effectively to the needs of the disadvantaged and poorer countries and regretted that the spirit of multilateral cooperation had begun to falter and weaken.

This was particularly disturbing in the face of increased inter-dependence of developed and developing countries and the fact that economic revival of North was closely linked to economic

progress in South.

They believed that developments during the past decades had clearly demonstrated the structural imbalances and inequities inherent in the existing international economic system and its inadequacy to deal with problems of development.

They strongly urged that determined efforts should be made by the international community towards realisation of the goals and targets of the international development strategy as well as the substantial new programme of action for the least developed countries. They called for urgent resumption of the North-South dialogue and early convening of an international conference on money and finance for development with universal participation.

The heads of state and government were conscious of the historic importance of the Dhaka summit and reiterated their conviction that the launching of the South Asian Association for Regional Cooperation (Saarc) which they had established at this meeting, would place regional cooperation on a firm foundation, play an important role in accelerating the pace of economic and social development of their countries, promote the objectives of individual and collective self-reliance and further the cause of peace, progress and stability in their region and the world.

The heads of the state and government of Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka were deeply

appreciative of the exemplary chairmanship of their meeting by the President of Bangladesh. They expressed their profound gratitude for the warm and gracious hospitality extended to them by the government and the people of Bangladesh and for the excellent arrangements made for the meeting.

### Charter of Organization

Calcutta THE TELEGRAPH in English 9 Dec 85 p 6

[Text]

**T**his is the text of the charter adopted at the Sarc summit in Dhaka on December 8.

Charter of the South Asian Association for Regional Cooperation.

The heads of state or government of Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka:

1. Desirous of promoting peace, stability, amity and progress in the region through strict adherence to the principles of the United Nations Charter and non-alignment, particularly respect for the principles of sovereign equality, territorial integrity, national independence, non-use of force and non-interference in the internal affairs of other states and peaceful settlement of all disputes,

2. Conscious that in an increasingly interdependent world, the objectives of peace, freedom, social justice and economic prosperity are best achieved by fostering mutual understanding, good neighbourly relations and meaningful cooperation among the countries of South Asia which are bound by ties of history and culture,

3. Aware of the common problems, interests, and aspirations of the peoples of South Asia and need for joint action and enhanced cooperation within their respective political and economic systems and cultural traditions,

4. Convinced that regional cooperation among the countries of South Asia is mutually beneficial, desirable and necessary for promoting the welfare and improving the quality of the life of the peoples of the region,

5. Convinced further that economic, social and technical cooperation among the countries of South Asia would contribute significantly to their national and collective self-reliance,

6. Recognising that increased cooperation, contacts

and exchanges among the countries of the region will contribute to the promotion of friendship and understanding among their peoples,

7. Recalling the declaration signed by their foreign ministers in New Delhi on August 2, 1983 and noting the progress achieved in regional cooperation,

8. Reaffirming their determination to promote such cooperation within an institutional framework,  
Do hereby agree to establish an organisation to be known as South Asian Association for Regional Cooperation, hereinafter referred to as the Association, with the following objectives, principles, institutional and financial arrangements.

## **Article I**

### **Objectives**

The objectives of the Association shall be:

A) To promote the welfare of the peoples of South Asia and to improve their quality of life,

B) To accelerate economic growth, social progress and cultural development in the region and to provide all individuals the opportunity to live in dignity and to realise their full potentials,

C) To promote and strengthen collective self-reliance among the countries of South Asia,

D) To contribute to mutual trust, understanding and appreciation of one another's problems,

E) To promote active collaboration and mutual assistance in the economic, social, cultural, technical and scientific fields,

F) To strengthen cooperation with other developing countries,

G) To strengthen cooperation among themselves in international forums on matters of common interest, and

H) To cooperate with international and regional organisations with similar aims and purposes.

## **Article II**

### **Principles**

1. Cooperation within the framework of the Association shall be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in internal affairs

of other states and mutual benefit.

2. Such cooperation shall not be a substitute for bilateral and multilateral cooperation but shall complement them.

3. Such cooperation shall not be inconsistent with bilateral and multilateral obligations.

## **Article III**

### **Meetings of the heads of state or government**

1. The heads of state or government shall meet annually.

## **Article IV**

### **Council of ministers**

1. A council of ministers consisting of the foreign ministers of the member states shall be established with the following functions:

A) Formulation of the policies of the Association,

B) Review the progress of cooperation under the Association,

C) Decision on new areas of cooperation,

D) Establishment of additional mechanism under the Association as deemed necessary,

E) Decision on other matters

**Cooperation within the framework of the Association shall be based on respect for the principles of sovereign equality, territorial integrity, political independence, non-interference in the internal affairs of other states and mutual benefit. Such cooperation will not be a substitute for bilateral and multilateral cooperation but shall complement them**

of general interest to the Association.

2. The council of ministers shall meet in regular sessions as often as possible. Extraordinary sessions of the council may be held by agreement among member states.

## **Article V**

### **Standing committee**

1. The standing committee comprising the foreign secretaries shall have the following functions:

A) Overall monitoring and coordination of programme of cooperation,

B) Approval of projects and programmes, and the modalities of their financing,

C) Determination of intersectoral priorities,

D) Mobilisation of regional and external resources,



E) Identification of new areas of cooperation based on appropriate studies.

2. The standing committee shall meet as often as deemed necessary but at least once a year.

3. The standing committee shall submit periodic reports to the council of ministers and make reference to it as and when necessary for decisions on policy matters.

## **Article VI**

### **Technical committees**

1. Technical committees comprising representatives of all member states shall be responsible for the implementation, coordination and monitoring of the programmes in their respective areas of cooperation.

2. They shall have the following terms of reference:

A) Determination of the potential and the scope of regional cooperation in agreed areas,

B) Formulation of programmes and preparation of projects,

C) Determination of financial implications of sectoral programmes,

D) Formulation of recommendations regarding apportionment of costs,

E) Implementation and coordination of sectoral programmes,

F) Monitoring of progress in implementation.

3. The technical committees shall submit periodic reports to the standing committee.

4. The chairmanship of the technical committees shall normally rotate among member states in alphabetical order every two years.

5. The technical committees may, inter-alia, use the following mechanisms and modalities, if and when considered necessary:

A) Meetings of heads of national technical agencies,

B) Meetings of experts in specific fields,

C) Contacts amongst recognised centres of excellence in the region.

## **Article VII**

### **Action committees**

The standing committee may set up action committees comprising member states concerned for implementation of projects involving more than two but not all member states.

## **Article VIII**

### **Secretariat**

1. The council of ministers shall consider, at an appropriate time, the establishment of a secretariat for the Association and its organisation, functions and funding modalities.

## **Article IX**

### **Financial arrangements**

1. The contribution of each member state towards financing of the activities of the Association shall be voluntary.

2. Each technical committee shall make recommendations for the apportionment of costs of implementing the programmes proposed by it.

3. In case sufficient financial resources cannot be mobilised within the region for funding activities of the Association, external financing from appropriate sources may be mobilised with the approval of or by the standing committee.

## **Article X**

### **General provisions**

1. Decisions at all levels shall be taken on the basis of unanimity.

2. Bilateral and contentious issues shall be excluded from the deliberations.

INDIA

RAJIV, PAKISTAN PRESIDENT HOLD JOINT PRESS CONFERENCE

Calcutta THE STATESMAN in English 18 Dec 85 pp 1, 7

[Text] In a major effort at bridge-building between India and Pakistan, Mr Rajiv Gandhi and President Zia-ul-Haq today agreed that neither would attack the other's nuclear facilities, a measure described as "an important achievement" by the visiting dignitary. In the words of the Indian Prime Minister, it was "a first step towards establishing confidence in each other".

Besides agreeing to the Indian proposal not to mount any sudden attack on nuclear facilities, President Zia also agreed to speed up the process of normalization through a set of discussions at different levels in the next two or three months. The discussions would not only chalk out an economic cooperation plan but also try to merge Pakistan's proposal of a "No-war Pact" and India's old suggestion of a treaty of peace and friendship and cooperation.

At a joint Press conference at the airport, at the end of the Pakistani President's six-hour stopover here on way back to Islamabad from Maldives, the two leaders underlined the point that they had agreed on a two-pronged approach--extend areas of agreement and work towards closer cooperation in general fields and also gradually work towards removal of the irritants.

The culminating point will be the visit of Mr Gandhi to Pakistan in the first half of next year.

President Zia said at the Press conference that the two sides had identified the areas of friction and each had agreed to do its best to remove these irritants. He said he was confident that after today's meeting, the relationship between the two countries would definitely improve.

In reply to a question Mr Gandhi said that the agreement (on not attacking each other's nuclear installations) was "verbal at the moment".

The two sides also agreed that on the Siachin dispute, the Defence Secretaries of the two Governments would meet to try and work out a solution.

Asked about the India's assertions that Pakistan was training and encouraging Sikh extremists, President Zia repeated the statement he had reportedly made in his talks with Mr Gandhi--that Pakistan was totally against "terrorism of all kinds".

He went on to say that such charges went against the spirit of normalization of ties.

On the other hand, President Zia said, Pakistan had also similar complaints against India (which he did not elaborate) but he had been assured by Mr Gandhi that he would look into the problem "in a determined manner. The important thing was to satisfy one another that such a thing was not happening", he said.

Asked about his reported statement in Sri Lanka on arms help to that country, the Pakistani President said he had never said that all the countries should supply weapons to Sri Lanka. He had only said that Pakistan would support Sri Lanka "to the hilt in removing internal strife, maintaining the integrity and solidarity of Sri Lanka".

Answering a question, Mr Rajiv Gandhi indicated that the steps agreed to between the two countries today formed part of his set of proposals about which he had talked about some days ago (without elaborating).

Asked if he would now give up the demand on Kashmir, President Zia said that Pakistan considered it a bilateral dispute which had to be solved in accordance with the Shimla agreement.

Describing himself as an optimist, he said that the two sides had agreed to start from areas of agreement and Kashmir would "come at the proper time".

The Pakistani President also said that it had been brought to his notice by Mr Gandhi that after every round of talks there seemed to be some agreement but later did not percolate down the level President Zia added that he had taken note of it and would try to see that such a thing did not happen.

President Zia who was earlier received by Mr Gandhi on his arrival from Maldives, called on the President before joining the Prime Minister and other officials at a working lunch. After a plenary, the two leaders had a 45 minute meeting at Rashtrapati Bhavan even as aides on both sides were holding a separate meeting to work out the frame work on the follow-up action on the proposals agreed to by the two leaders earlier.

President Zia, who described today's meeting with the Indian Prime Minister as "the most cordial so far" said that two had agreed "to go step by step, according to a programme, in a systematic manner.

The timetable worked out envisages preparation of a package of economic cooperation and trade development to be worked out by the Finance Ministers of the two countries at a meeting early next month.

This will be followed by a meeting at the level of the Foreign Secretaries which will deal with some of the political aspects, including trying to arrive at an agreed draft on a friendship or no-war pact between the two countries and release of civilian and military personnel in custody in either country.

Then there will be a meeting of the four sub-commissions in late January or early February, two of which will be held in New Delhi and two in Islamabad. This will be followed by a meeting of the Joint Commission at the level of the Foreign Ministers in the last week of February in Islamabad.

Asked why Pakistan was piling up arms if it was so keen on peace President Zia said that each country had to take its needs into account. It would undoubtedly be in the interest of economic development of both countries if so much money were not spend on piling up arms.

#### AIDS

The Indian delegation to the talks included the Finance Minister, Mr V P Singh, the Minister for External Affaris, Mr B R hBagat, Chairman of the Policy Planning Committee Mr G Parthasarathv, the Foreign Secretary, Mr Romesh Bhandari the Indian Ambassador in Pakistan. Mr S K Singh the Additional Secretaries, Mr Dube and Mr HGare Khan, and the Joint Secretary dealing with Pakistan, Mr S Lamba.

The Pakistani President was assisted by his Finance Minister, Dr Mahbub-ul-Hag the Chief of Staff to the President, Lt.Gen Refaguat, the Foreign Secretary, Mr Niaz A. Naik, the Pakistani Ambassador in India, Dr Humayul Khan, the Additional Secretary in the Pakistan foreign office, Mr Abdul Sattar, and Mr Riaz H. Khokar Director-General in the Foreign Ministry.

Mr B R Bhagat asserted in the Raive Sabha on Tuesday that the agreement reached between Mr Gandhi and President Zia was not a departure from India's nuclear policy adds UNI.

Clarifying certain points raised by members Mr Bhagat said the agreement sought to reassure Pakistan that India had no intention to attack its nuclear installations, Gen Zia had welcomed India's assurance he added.

President Zia told reporters at Rawalpindi airport on his return tonight that his visit to New Delhi was "very successful" and his meeting with Mr Rajiv Gandhi the "most significant event in the recent past" according to Radio Pakistan.

He said he found the atmosphere in New Delhi very "cordial for Indo-Pak relations" and added that Mr Gandhi's efforts has made it possible.

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CSO: 4600/1282

INDIA

# WRITER EXAMINES INDO-U.S. MUTUAL COMPLAINTS

Bombay THE TIMES OF INDIA in English 22 Dec 85 p 1

[Article by J. N. Parimoo]

[Text] India wants to make a plane like the F-16. According to American experts, some of the performance specifications set for the new Indian plane would far exceed those of the Mirage and F-16.

Since the Indian plane, a light combat aircraft (LCA), is going to be ready by the middle of the next decade, the Indian Air Force wants to incorporate the most advanced technologies that would be in vogue by that time, say these experts.

A possible transfer of some of these technologies for India's new plane would be the main focus of discussions when a large team of American military technocrats and middle-level state department bureaucrats visits Delhi by the middle of next month.

It is expected that the team would leave Washington on January 17, but no firm date has been fixed for a number of reasons. One of the reasons is non-availability of a military plane that is expected to carry the technocrats to India. The date is not firm also because there is uncertainty on the Indian side. A postponement of the visit till February is not, therefore, ruled out.

What does India actually want and what is the main purpose of the next month's visit? In answer to these questions, American bureaucrats and Indian diplomats are equally tongue-tied. It is generally believed that the areas in which India is seeking collaboration are computerised avionics, electronically-controlled fire-power, new composite materials for the body frame and for the designs of the wings and the rear fuselage.

The reason why state department bureaucrats are being associated with next month's visit is that, side by side with the technical level discussions on the transfer of technology, they will review the "current phase of improvement in the relations between the two countries".

There are complaints on both sides that the "spirit of improved relations" is not being observed at the lower levels of bureaucracy. The Americans

complain that the government of India has unnecessarily delayed the deal with the Computer Data Corporation for a main frame computer, that the visas for some American scholars have been delayed for no reason and the issues related to the PL-480 rupee fund have been put on the back burner.

#### HOSTILE ELEMENTS

Similarly, there are complaints on the Indian side that there are elements in the defence and state departments that have traditionally been hostile to India and that put a spoke in the wheel every time there is an opportunity to do so.

On a number of major issues, India had to secure the intervention of the White House. For instance, the recent U.S. sale of nearly 60 "super-mini computers" to India became possible only after the White House intervened.

To quote an Indian source, "You cannot go to the White House for a small thing. How can we be sure that these hostile elements will not prevent us from getting the necessary support systems once we decide to buy important and sensitive American weapons or weapons-related technologies? We have to make sure that the spirit of improved relations has sufficiently percolated down to the lower levels of bureaucracy, otherwise it could be risky to go in for the American weapons."

As Indians see it, the hostile elements in the U.S. administration could be divided into two groups. There are those who are plain cynical. They see India as a country closely related to the Soviet Union and they do not think it would be safe for sensitive American weapons systems to go to India.

Then there are those who are almost emotionally attached to Pakistan and China and some pro-U.S. West Asia countries. They have inherited from the Nixon days a hostility towards India which it is hard to overcome.

Despite this persistent resistance from the hostile bureaucratic elements, the relations between the two countries are improving. But for this resistance, the pace of improvement could have been faster.

As to next month's visit, basically it is a follow-up on the visit here early this year by the defence science adviser, Dr. Arunachalam who has made a deep impression on the Americans. Dr. Arunachalam had come here to do some window-shopping to see what was available here to meet India's needs. He was taken round the main production centres of this country and shown much of what the U.S. could offer.

--Between that visit and now a lot of correspondence and other exchanges have been going on and now the stage has come for the technocrats and engineers of the two countries to discuss the details of the systems that the U.S. could make available and the terms and conditions on which these could be made available.

The Americans would like to know how safe it would be to provide such systems to India and the Indians would like to know how reliable it would be to depend on the purchase of such systems from the United States, considering the close relations that the U.S. has with India's potential adversary, Pakistan.

Though the supply of aircraft-related technologies would be the main focus of the American team's discussions in Delhi, it will not be the only subject for discussion. India is interested in some technologies to modernise its tanks. It is also interested in some artillery-related technologies and some surveillance-related technologies. All that will also come up for discussion.

Mr. Steve Bryan, deputy assistant secretary for international security assistance, Mr. Robert Dean, deputy assistant secretary for the political military bureau of the department of state, and Mr. Grant Smith, the newly-appointed director of the India desk, and Dr. Hix of the department of defence are expected to be on the team which will have, on the defence side, a majority of aeronautics experts.

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CSO: 4600/1286

INDIA

# SOVIET MINISTER INAUGURATES MACHINERY EXHIBITION

Bombay THE TIMES OF INDIA in English 16 Dec 85 p 13

[Text] India and the Soviet Union are not competitors in their trade and economic activities as both of them have developed their relations in such a way that their economies successfully complemented each other, Mr. N. N. Smeliakov, deputy minister for foreign trade of the USSR, said here today.

Inaugurating the exhibition of the Soviet machinery and equipment at Cross Maidan, he told Indian businessmen and industrialists that India was the biggest trade partner of the USSR among the developign countries, but her share of import of Soviet machinery and equipment was insufficient in the context of her requirements for its development.

Mr. Smeliakov pointed out that though Soviet exports to India were growing in general the share of its machinery and equipment exported to India was growing at a slower rate. Of the 55 billion dollars worth of Soviet machinery exported during the current five year period all over the world, India's share of import of Soviet machinery was just a little more than 2 per cent.

The Soviet minister expressed satisfaction over the fact that many Indian firms have come forward to negotiate on the practical ways of taking advantage of the Soviet Union's export potential. The present exhibition, he said, was organised after consultations with the FICCI and AIEI, and ministry of industry. Mr. Smeliakov hoped it would go a long way in acquainting Indian business community with the high level of Soviet technology.

Mr. R. K. Dang, additional secretary, ministry of commerce, said that India was not unfamiliar to the Soviet machinery and technology which played an important part in India's industrialisation and was looking forward to broadening the base for import of Soviet machinery keeping in view the new level of its technological needs as reflected in the Seventh five year plan.

Mr. Dang endorsed the usefulness of rupee-trade arrangement between the two countries and hoped that it would help in the import of Soviet machinery to India. He said that Indo-Soviet trade which at present stood at 38,000 million rupees would rise further in future.



Mr. Arvind R. Doshi, Chairman AIEI (western region) said that the exhibition served as a "window" and provided an opportunity to Indian businessmen to see the high level of sophistication and technological capabilities achieved by the Soviet engineering industry.

Mr. Doshi said that a delegation of the AIEI had visited USSR in May and delegations of the Soviet planning body, Gosplan visited several Indian industrial enterprises in October to identify the possible areas of Indo-Soviet cooperation. Mr. Doshi hoped that India could take full advantage of Soviet cooperation, particularly in four major sectors--energy, industrial machinery, electronics and automotive industry.

The exhibition will remain open upto December 28th.

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CSO: 4600/1281

INDIA

JOURNALIST WARNS OF OVERDEPENDENCE ON USSR

New Delhi PATRIOT in English 19 Dec 85 p 2

[Text]

**Paris, Dec 18 (AFP)**—The Indian economy is in danger of becoming overly dependent on the Soviet Union, a leading Indian journalist has warned.

Addressing the French Institute of International Relations here yesterday, Nihal Singh a former Editor of the Statesman and Indian Express said Indo-Soviet trade, estimated at \$ 3.8 billion in 1984, already represented roughly 20 per cent of India's total foreign trade.

In a book to be published soon and titled "The Yogi and the Bear", Mr Singh said he documented what he described as the dangerous structure of Indo-Soviet trade, with several industries, spread across the country, built overwhelmingly for Soviet consumption.

He cited production of cashew nuts in Kerala state, hosiery in Punjab and shoe-upper in Uttar Pradesh, which he said were almost exclusively bought by the Soviets.

Mr Singh said this effectively enabled Moscow to switch off the trade relationship to extract concessions from New Delhi, as happened in 1983 when the Soviets stopped buying Indian cashew nuts to show dissatisfaction with New Delhi's trade surplus, and particularly its reluctance to buy Soviet manufactured goods.

He said the Soviets then resumed cashew nuts purchases after New Delhi promised to buy

more Soviet manufactured goods.

Mr Singh, who has been living in Paris for a year to prepare a book on UNESCO, said this economic factor was potentially more dangerous than India's dependence on Soviet military hardware.

He also stressed that although New Delhi's criticism of the Soviet military presence in Afghanistan has been mild, "India firmly opposed it as it had brought Soviet troops closer to its borders", had "radicalized" the Southwest Asian region and "firmed up the Pakistan-US relationship".

But despite initial Soviet nervousness about Indian Prime Minister Rajiv Gandhi's "western orientations", particularly his strong interest in advanced technology, and a US bid to woo the youthful Indian Premier, there was no sign that New Delhi was prepared to break with Moscow and seek closer ties with Washington, he added.

He said Washington mistrusted India's ambition "to assert itself as a strong regional power", fearing that New Delhi would never accept to become a "client state" like Pakistan or Iran under the Shah.

He noted that over the past 20 years India's troubled relations with China had also helped to cement New Delhi's relations with Moscow.

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CSO: 4600/1284

INDIA

# NEW AGREEMENTS TO BRING RISE IN INDO-SOVIET TRADE

Bombay THE TIMES OF INDIA in English 24 Dec 85 p 1

[Text] India and the Soviet Union, continuing the rupee payment arrangement, will seek to double in the next five years the value of their bilateral trade which reached Rs. 109,250 million rupees during 1981-85.

Mr. Arjun Singh, Union commerce minister, and Mr. Boris Aristov, Soviet foreign trade minister, signed this afternoon documents which will channelise bilateral trade into new areas.

The agreements signed are a new Indo-Soviet trade plan for 1986-90, a protocol on deferred payment for the supply of Soviet machinery and equipment to India and an agreement on mutual supply of goods in the next five years.

The new long-term agreement envisages increase in volume by 1.5 to two times over the concluding trade plan period.

The current five-year trade plan period is expected to close with the trade turnover of Rs. 45 billion, according to estimates.

Speaking of a brief ceremony after the signing of the documents, Mr. Arjun Singh expressed hope that actual growth of trade turnover would exceed estimates.

The Indian side, he indicated, would supply to the USSR higher quantity of agricultural products, minerals and ores, chemicals, skin and hides and their products, chemicals and allied products, textiles and engineering goods.

He expressed confidence that the Soviet Union would increase its exports of machinery and fertilisers.

The commerce minister said the Soviet machinery and equipment Exhibition being held in Bombay was a success.

Mr. Boris Aristov said the two sides had reached an understanding on co-operation in the field of services, including setting up of hotels in

Soviet central Asia. India would set up three modern hotels in Tashkent, Samarkent and Bukhara.

The Soviet minister felt mere trade exchanges were not enough, the two sides should also have production cooperation in industries.

The five-year trade plan for 1981-1985 had been overfulfilled, he added.

New Delhi: A Soviet delegation led by the first deputy minister for power and electrification, Mr. G. A. Shasharin, arrived here today to participate in the fifth session of the Soviet-Indian working group on power.

During the session, the group will discuss different aspects of co-operation between the U.S.S.R. and India in the field of power, including the construction of the thermal power stations at Vindiyachal and Kahalgaon, co-operation in the field of hydropower generation and the servicing and modernisation of the equipment at power stations constructed with Soviet assistance in India.

The delegation, during its seven-day stay, will visit Vindiyachal, and meet Mr. Vasant Sathe, Union minister for energy, Mr. S. B. Chavan, Union home minister and co-chairman of the Soviet-Indian joint commission.

It is expected that the delegation will sign a protocol on co-operation in the field of power on December 27.

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CSO: 4600/1288

INDIA

## REPORT NOTES NEGATIVE ASPECTS OF FOREIGN AID

Bombay THE TIMES OF INDIA in English 13 Dec 85 p 1

[Article by L. K. Sharma]

[Text]

NEW DELHI, December 12.

THE injurious impact of foreign aid on the indigenous capital goods industry has been highlighted by an official report which has expressed concern over the "anomalous" feature of under-utilised capacities coupled with a sizeable demand.

The report by a high-power group appointed by the cabinet secretariat has said that recourse to foreign aid, not as a technological necessity but only to bridge rupee resources gap in a specific sector, may result in a serious setback to the heavy engineering sector.

The group of secretaries has drawn the government's attention to the "technology-wise crippling impact" of such aid on the organisations manufacturing capital goods.

In certain capital goods industries, the loss of an order may result in almost no work for a few years and loss of opportunity to keep pace with technological developments.

It has recommended that even the level of foreign aid that the country should depend upon be determined not merely on the basis of bridging the gap between the resources and requirements, but primarily in the context of its impact on the long-term objective of building a self-reliant economy.

While the Prime Minister's office is busy finalising technology missions for the future, the report brings out serious flaws in the planning and implementation of major public sector projects which tend to undermine the technological capabilities already acquired by the country at great cost.

The group has regretted the present trend of adopting the processes available from foreign sources and adopting their technology along with their equip-

ment. There has been inadequate effort to unpack the process, determining the content that can be contributed from indigenous sources and assigning a definite role to the domestic manufacturers, the report says.

The group of secretaries has called for greater scrutiny of import proposals related to capital goods for 13 selected industries being governed by special procedures since liberalisation in 1978.

It has recommended that import of capital goods, merely on marginal variation of specifications, or due to dumping by overseas suppliers, should not be allowed. The list of 13 selected industries drawn up in 1978 needed to be revised in the light of developments since then.

The group has noted that while the local manufacturers are permitted to quote against global tenders in the 13 specified industries, last-minute changes in specifications are made by the project authorities leading to avoidable imports.

The group has suggested a higher price preference for domestic industry since during the technology absorption phase, the manufacturers have to depend on foreign components and materials.

The quantum of price preference should increase with the percentage of indigenous content. Tenders for international bidding should explicitly state preference for offers with a higher indigenous content, it says.

The group has noted that when the primary consultant to a public sector project is a foreign organisation, it insists on a large component of imported equipment either as a part of the aid package or as a precondition to

guarantee performance of the plant. Such situations have occurred in projects like the Vizag steel plant and the large-sized fertiliser units.

The group has noted that the sectoral authorities, in their desire to implement the project as quickly as possible, pursue the linkage of the project with foreign aid, usually bilateral aid. Such aid, from developed countries who are also faced with a large unutilised capacity, is readily forthcoming in the form of capital goods.

"The mismatch between the rupee resources and the size of the user sector's programme, is exploited by the donor countries to solve the problem of recession in their own capital goods industry."

! Recommending a judicious approach to tying up a project with foreign bilateral aid, the group says that the economic benefits from speedy completion of a project have to be weighed against the adverse economic impact on the capital goods industry.

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CSO: 4600/1278

INDIA

# INDIA, ETHIOPIA SIGN MEMORANDUM ON ECONOMIC COOPERATION

Madras THE HINDU in English 23 Dec 85 p 9

[Text] India and Ethiopia signed here today a memorandum of understanding (MOU) on economic cooperation.

The MOU, signed by the External Affairs Minister, Mr. B. R. Bhagat, and the Ethiopian Foreign Minister, Mr. Goshu Wolde, identified 12 sectors, including agricultural research and industrial cooperation, as priority areas for cooperation.

Mr. Bhagat said India was ready to depute its experts and skilled personnel to help Ethiopia in its developmental efforts.

He expressed the hope that Indian private sector companies would be able to assist the Ethiopian organisations in various industrial ventures. The memorandum of understanding should lead to an increase in opportunities for fruitful cooperation, he said.

"We regard this step, in many ways, as a beginning and...it is my belief that our ability to interact and collaborate with each other in the task of economic development will also grow correspondingly", he said.

The MOU has identified water resources development cooperation in joint ventures, promotion of small-scale industries and development of railways and maritime transport for cooperation.

The two countries also agreed to cooperate in science and technology, technical assistance, trade relations, inter-institutional cooperation, cooperation in project preparation and consultancy work and financial cooperation. India will provide Ethiopia with field research experts, opportunities for study tours and short courses, reference books and scientific journals, and general cooperation in water resources research and training.

Industrial cooperation: In the industrial field, India will assist in the field of sugar, textiles, bicycles and motorised two-wheelers and industrial estates. It will help set up a pilot weaving unit and equip a common facility workshop for small-scale industries.

The National Small Industries Corporation (NSIC) will hold an exhibition in Addis Ababa of small-scale industrial equipment in 1986. There will also be further collaboration in the fields of Railways and maritime transport. Rail India Technical and Economic Services (RITES) has already done some pre-feasibility studies in connection with the Addis Ababa-Assab railway line, partly as assistance.

The two countries will cooperate in science and technology through manpower development, supply of scientific literature and dissemination of scientific information. India will provide instructors and teaching materials for the Institute of Geology and Mining in Ethiopia. Inter-institutional cooperation in the fields of agriculture, water resources, small-scale industries, and geology is also envisaged, which will include training, back-up services, exchange of literature, organisation of seminars and exchange of specialists.

India will also assist Ethiopia in project preparation and consultancy work and provision of suppliers' credit on mutually agreed terms.

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CSO: 4600/1287



INDIA

REPORT ON GANDHI INTERVIEW WITH HONG KONG MAGAZINE

Calcutta THE TELEGRAPH in English 12 Dec 85 p 4

[Text]

New Delhi, Dec. 11 (UNI): The Prime Minister, Mr Rajiv Gandhi, has said that on the western border India and Pakistan are "very equally matched" and "they are not going to be able to do anything to us."

"But at the same time we have not built up our forces where we can just march through Pakistan and give them a drubbing. That is not our intention either. Our intention is basically an intention of defence," he said in an interview to *Asiaweek* magazine of Hong Kong.

Asked why a powerful and big country like India keeps talking of a threat from such a small nation, Mr Gandhi said, "Military strength is not measured by the size of the country. It is measured in the type of equipment, amount of equipment, size of your armed forces and the size of forces that can be deployed on that particular front. There is no use talking about the Indian forces who must be on the Himalayas. We have to consider forces that can be deployed on the western border and on this we are very equally matched."

Asked whether he had outmanoeuvred the Pakistan President Gen. Zia-ul Haq, by inviting him to visit the Kalpakam reactor at the time of its inauguration, the Prime Minister said, "We are not manoeuvring at all. We are just trying to bridge the gap that seems to be there."

It was sheer coincidence that the day Gen Zia wanted to come was the day he had fixed for the dedication of Kalpakam. "So we invited him and as he was

coming in from the south, we thought he could drop in at Madras and come. But unfortunately, he postponed his visit by a day.

Asked whether it might be better if both India and Pakistan had a few bombs each so that they could deter each other and think of building up the nation,

Mr Gandhi reiterated his view that the deterrence doctrine was highly dangerous. "Any doctrine of deterrence must by definition lead to an arms race. It is not only the expense, it is extremely dangerous from the point of view of humanity."

On the possibilities of a settlement in Kampuchea, the Prime Minister observed that the Vietnamese had said very categorically that they would be coming out of there by 1990. "They told us they would be willing to come out even earlier provided certain things took place. They also told us that some of the proposals that have been put to them by the other southeast Asian nations are a good starting point to get things going."

Asked why the Indian stand differed so much from the other Asian countries on this question, Mr Gandhi said, "Because we felt very strongly about what Pol Pot was doing there. Maybe they (ASEAN) did not feel Pol Pot was doing something wrong. We did. We feel South Africa is a terrible case. Apparently England and America don't."

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CSO: 4600/1276

INDIA

# GANDHI EFFORT TO ENFORCE CIVIL SERVICE RULES SEEN

Madras THE HINDU in English 13 Dec 85 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Dec. 12.

The Prime Minister, Mr. Rajiv Gandhi, is reported to have decided not to grant extension of service to civil servants when they reach the age of retirement.

The decision will affect eight grade I officers of the Indian Foreign Service, ten IAS officers who are Secretaries to Government and about 50 to 60 in the rank of Additional Secretaries who are due for superannuation during 1986.

The retirement rule is already being rigorously enforced among the Defence Services, the para-military forces and the police organisations. It will be enforced without making any exception in the case of senior civil servants.

The aim: The intention is not merely to give a fair chance to promising officials at the middle level to rise to the top levels after passing through the prescribed procedures for selec-

tion posts like Secretaries to Government. It is also intended to get rid of a lot of officials whose performance has not come up to the Government's expectations.

At one stage there was a move to raise the retirement age from 58 to at least 60 for Central Government servants to enable some of the outstanding officials to be retained for an extra two years without formal extension of service. But the Prime Minister is reported to have taken the view that this would only perpetuate the unhealthy practice of extensions in a dif-

ferent form by depriving those at the middle levels their due chance for quicker promotions.

But unfortunately the Government has had no firm personnel policy since Independence with the result that exceptions have been made quite often to reward favourites or enforce the retirement rules strictly to punish some of those who have not been pandering to the whims and fancies of their political masters, whether it is at

the Centre or in the States. The result is that there has been no proper rapport between politicians in power and the civil servants, leading in turn to a lot of ad hocism in the application of deputation rules or regulation of the tenure system.

**Streamlining:** The Prime Minister is trying to streamline the procedures and rules, besides insisting on their strict observance by his Cabinet colleagues. The only exception that Mr. Rajiv Gandhi has so far made was in appointing Mrs. Sarla Grewal as Secretary to the Prime Minister by re-employing her for two years after her retirement.

But this is an ex-cadre post and the Prime Minister is entitled to appoint anybody including a non-official or retired officer as his Secretary, since the incumbent must enjoy his complete confidence. The President, too, can appoint anybody as his Secretary, but not to other posts in his office.

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CSO: 4600/1279

INDIA

## RAJIV IN RAJYA SABHA, DENIES POLICY SHIFT

Madras THE HINDU in English 18 Dec 85 p 1

[Text]

NEW DELHI, Dec. 17.

The Prime Minister, Mr. Rajiv Gandhi, today defended stoutly the approach of the Seventh Plan and denied that there was any shift in the basic policies pursued so far on the economic front.

Mr. Gandhi, who was intervening in the debate on the Seventh Plan in the Rajya Sabha, said that though there had been changes, in accordance with the changing compulsions over the years, the basic thrust remained the same, namely eradication of poverty and making the country self-reliant.

The Prime Minister was also at pains to justify the induction of high technology, particularly to improve productivity, and contended that this was necessary to achieve self-reliance and self-sufficiency. He refuted the charge made by some Opposition members that the Government was handing over the industrial sector to multinational corporations and said there could be nothing farther from the truth.

"We are not drifting from the 1956 Industrial Policy," he added.

Mr. Gandhi noted that India had done better than many other countries without becoming a victim of international systems. "We have shown that our basic philosophy was correct", he said and added that the basic priority had not changed. It continued to be eradication of poverty and establishment of social justice and

self-reliance. He felt that if high technology was not inducted in the field of agriculture, the country would not have become self-sufficient and self-reliant. In his view, there should be technological development in small-scale industries also. The aim should be to enable village industry get upgraded into small scale and the latter into large scale.

**Induction of technology:** Referring to induction of technology, Mr. Gandhi said that introduction of super computers could help improve weather forecasting and thereby ensure optimum utilisation of inputs like water, fertilizers etc. He agreed with the view of some members

that appropriate technology should be inducted but felt that what was appropriate was the best.

"We do not want second rate technology," he added. For example in the soil management they could have advanced technology that would avoid wastage of water and ensure correct usage of fertilizers.

Mr. Gandhi said the goal of the Plan was to achieve a socialist society which would provide equality of opportunity to all and ensure removal of disparity. The Plan laid special attention on human resources development so as to narrow the gap between development of human resources and development of science and technology. He denied that this was just old wine in new bottle. The departments might

be the same but the thrust was going to be different, he contended.

**Role of public sector:** About public sector, Mr. Gandhi said the outlay of Rs. 1,80,000 crores was the highest ever provided for it. The public sector would continue to have a commanding position, he claimed. In fact, he felt the public sector would play a key role in bringing about the desired improvement in industrial productivity.

The Prime Minister said the weaknesses of the industrial sector were low growth rate, high cost of production and inadequate quality. All these boiled down to obsolete technology. He felt that the public sector should bring about a revolution in the industrial sector.

As a result of various programmes a very large number of people had risen above the poverty line. One indication of this was the increase in the demand for infrastructure facilities and the rise in the demand for edible oils. The demand for edible oil projected for 1990 had already been touched. He also claimed that the Seventh Plan sought to provide more jobs than the number of those who would enter the employment market. Thus for the first time the backlog of unemployment would be wiped out.

Referring to family welfare, Mr. Gandhi said that a fresh look was being taken into the strategies followed so far to make the programme more effective and a people's movement.

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CSO: 4600/1283

INDIA

REPORT ON AKALI DAL 15 DEC GENERAL MEETING

Bombay THE TIMES OF INDIA in English 16 Dec 85 p 1

[Text] The Punjab chief minister, Mr. Surjit Singh Barnala, further consolidated his position within the ruling Akali Dal, as he was unanimously elected the 18th President of the party at the general house meeting here today.

He succeeds Sant Harchand Singh Longowal, who was assassinated soon after signing the historic Punjab accord with the prime minister, Mr. Rajiv Gandhi.

Mr. Barnala's name was proposed by Mr. Gurcharan Singh Tohra, SGPC president, and seconded by Mr. Balwant singh, finance minister and one of the co-architects of the Punjab accord.

Finding themselves in minority the dissident group, including Sant Ajit Singh, who had resigned as chairman of the party parliamentary board in protest against being "ignored" by party high-ups while deciding vital issues, abstained from the meeting.

BADAL ABSENT

Mr. Balbir Singh Brar, who had earlier initiated the move for requisitioning the general house meeting to elect a new party leader replacing Mr. Barnala and sought Akal Takht's intervention in his last minute bid to stall Mr. Barnala election, and Mr. Ravi Inder singh, speaker of the Punjab vidhan sabha, also stayed away from the meeting.

Mr. Prakash Singh Badal, former Punjab chief minister, was also not present.

About 400 of 446 delegates from all over the country had abroad attended today's meeting held in the Teja Singh Samundary hall.

TRIBUTES PAID

The house paid tributes to Sant Longowal and those killed in "Operation Blue Star" and the November riots last year.

The house resolved that the Dal would continue to follow the path shown by Sant Longowal and work for peace and communal harmony in the state.

Through another resolution, senior Akali leader, Mr. Bhupinder Singh, demanded that the state government erect an appropriate memorial in the memory of Sant Longowal who, he said, laid down his life for the prosperity of and to bring peace in the state and the country.

By another resolution, the house condemned the rearrest of Mr. Simranjit Singh Mann, a dismissed IPS officer, and demanded his release as well as that of Mr. Jasbir Singh, nephew of late Jarnail Singh Bhindranwale, presently lodged in a jail in Madhya Pradesh.

The Punjab government will make an ex-gratia grant of Rs. 5,000 each to the families of 110 army men who deserted their units in the wake of army action in Golden Temple complex last June and were later reported killed or missing.

Announcing this while replying to felicitations, Mr. Surjit Singh Barnala said, their families would also be provided free houses and five acres of land. The state government would also provide free education to the children of the killed deserters.

The state government would also give a pension of Rs. 500 to the families of deserters who had been sentenced to various terms of imprisonment. The families would also be provided loans for purchase of houses and lands besides free education for their children.

#### BRAR EXPELLED

The Akali Dal general house today, expelled Mr. Balbir Singh Brar, from the primary membership.

A resolution moved by Mr. Darshan Singh Issapur was unanimously adopted by the general house meeting.

The house further took strong notice of those within the party, for their making "undue criticism" of party leaders. The name of agriculture minister, Mr. Amrinder Singh, was mentioned by Mr. Issapur in this respect of his reported criticism of the SGPC president, Mr. G. S. Tohra.

The Akali Dal parliamentary board, headed by Sant Ajit Singh, and all the six different wings of the party have been dissolved today.

A resolution adopted by the general house meeting, empowered the newly elected party president, Mr. Surjit Singh Barnala, to re-constitute the parliamentary board and to re-organise the party wings.

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CSO: 4600/1281

INDIA

# INDIGENOUS LIQUID FUEL ROCKET ENGINE TESTED

Calcutta THE TELEGRAPH in English 14 Dec 85 p 7

[Text]

**Bangalore, Dec. 13:** Indian space scientists have achieved a major breakthrough in the development of the polar satellite launch vehicle (PSLV) with the successful test of an indigenous liquid engine.

The first full duration validation test of a 60-tonne thrust liquid engine powering the second stage of the PSLV was carried out yesterday at the facilities of Societe Europeenne de Propulsion (SEP), France, a space department press release announced today.

The release said the SLV-3 and ASLV launch vehicles had used solid propellants since the department of space, over the years, had developed high energy solid propellants and qualified them for use on various rockets and satellite launch

vehicles. However, for large rockets such as PSLV, scheduled for launch in 1989-90, the development of high energy liquid rockets was found essential. Accordingly, the programme for the development of a large thrust liquid engine was instituted in ISRO and the "Vikas engine" was built by ISRO with the participation of a number of

public and private sector industries in the country.

Vikas engine went through a series of validation tests at the SEP facilities in France. The gas generator was tested on July 9 and the turbo pump was tested in November and finally the full engine was tested by firing the engine for over 150 seconds at 4 pm yesterday. The performance of the engine was found to be as per the specifications thus qualifying for the first time the liquid engine technology for the Indian space programme.

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CSO: 4600/1280

INDIA

# EXPERTS GIVE NEWS ON INDIGENOUS MISSILE, SATELLITES

Calcutta THE STATESMAN in English 24 Dec 85 p 9

[Text] India could have an indigenously made missile in about two years as a breakthrough was likely shortly, according to Mr A.P.J. Abdul Kalam, director of the Defence Research Development Laboratory, Hyderabad, reports PTI.

Mr Kalam, the architect of the nation's first successful SLV launch in July 1980, said that the missile might not be based on the SLV design, as was popularly believed.

He explained that the SLV model was primarily developed for peaceful use and it could not be used for defence purposes as it involved major design changes. The missile that the DRDL is developing may be of a different design, he said, however, declining to give details.

UNI adds: INSAT-II, the second generation satellite being built in India, would be launched in 1989-90. Professor U. R. Rao, said today.

If the first experimental flight proved successful, the next flight, to be launched a year later, would be operational, Professor Rao told reporters here.

It would be lifted to space on a foreign launch vehicle, but once the Geostationary Launch Vehicle was operational by 1995 in India, INSAT-II series would be launched from the Sriharikota range, he added.

Space scientists attending a meeting on Indian Space Research Organization-industry collaboration here earlier, said that the INSAT-II satellite would be an advanced version of the INSAT-I series made by the Ford Aero-space Corporation in the USA.

INSAT-II would have 18 transponders in place of the 12 in the INSAT-I series and would weigh about 1,880 kg.

The scientists said the design of the satellite had been approved by the review committee. The engineering model of the satellite would be ready by 1987 and the prototype by 1988.

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CSO: 4600/1289

INDIA

## AVIATION CORPS ESTABLISHED WITHIN ARMY

New Delhi PATRIOT in English 19 Dec 85 p 1

[Text]

The Government has created a new Aviation Corps in the Indian Army which will operate attack helicopters, a role hitherto being performed by the Indian Air Force, reports UNI.

A decision on this issue had been pending for 11 years. After considering all aspects of military operational requirements, the Government had decided that helicopters should be integrated with the ground forces for joint operations.

It is expected that more than 300 helicopters — Chetaks and Cheetahs and the latest acquisition, the Soviet designed MI-25 'flying gunships' — would equip the Aviation Corps.

The case for the helicopters role had been pushed by the Army for more than 10 years. It had been turned down each time since it was considered that the Air Force was providing all the required support to the Army.

Recently, the Air Force provided the needed support to the Army at high altitudes in the Siachen glacier area in the Karakoram and also in the Ladakh region.

However, the Government has

come to the conclusion that the air element should be "organic" with the Army strategy.

The Army had favoured the creation of air mobile forces like the US had tried with the air cavalry regiments.

Now all the Chetak, and Cheetah helicopters would be transferred to the Aviation Corps except a few on liaison duty with the IAF.

Army pilots who had been operating a limited number of helicopters in the air observation post (AOP) duty had been flying only for about five years and then reverting to their original units. With the creation of the Aviation Corps, they would have to do considerable flying service just as the IAF pilots do.

Earlier, the Army AOP pilots had been using the helicopters only to direct artillery fire, and now they would have to be trained to use the helicopters as weapons platform and also operate them in the anti-tank role.

In 1974 the IAF was asked to transfer the five super constellation aircraft to the Indian Navy for the maritime reconnaissance role.

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CSO: 4600/1284



INDIA

DISPUTE OVER CHANDIGARH REPORTEDLY 'HOTTING UP'

Madras THE HINDU in English 25 Dec 85 p 1

[Text] The controversy over the transfer of Chandigarh to Punjab on January 26 next year in terms of the Rajiv-Longowal accord has taken a curious turn. The Punjab Government takes it for granted that the time-table envisaged in the agreement will be observed, while Haryana has sought to link it with its claims on the Abohar and Fazilka regions of Punjab.

The Punjab Government claims to have received indications from the Centre that the State authorities could proceed with preparations for the take-over of the Union Territory. On this basis it named Mr. P. K. Kathpalia, a senior IAS officer, as Chief Administrator for Chandigarh and Secretary, Capital Project. The Chief Minister, Mr. Surjit Singh Barnala, who was here this week, returned with the impression that there would be no hitch to the transfer of Chandigarh.

Mr. Barnala and the Haryana Chief Minister, Mr. Bhajan Lal, issued conflicting statements in Chandigarh. According to Mr. Barnala, the Punjab Government was all set to celebrate the Republic Day in Chandigarh. He was not aware of any delay in regard to the transfer of Chandigarh.

Bhajan Lal firm

Haryana today told the Centre that it would not give up its claim to Chandigarh till Abohar and Fazilka were given to it, and Punjab's part in the construction of the Sutlej-Yamuna canal was completed.

There was no question of handing over Chandigarh to Punjab till the two conditions were met, Mr. Bhajan Lal, said today. The Haryana Government was firm on this point, according to him.

Mr. Bhajan Lal discounted reports that the Union Home Secretary, Mr. R. D. Pradhan, was in Chandigarh last week to convey the Centre's assurances on Chandigarh's transfer to the Punjab Government. New Delhi, he said, had not told the State Government about the arrangements for the transfer of Hindi-speaking areas of Punjab to Haryana in lieu of Chandigarh.

The Mathew Commission, set up under the Punjab accord, to determine the Hindi-speaking areas to be given to Haryana, could not complete its job within the original deadline because of the conflicting positions taken by the two States. According to Haryana, the areas to be given to it should be determined with a specific reference to India Gandhi's view to compensate it--her preference was clear from the 1970 award, giving Abohar and Fazilka to Haryana.

Akalis reassured

Our Chandigarh Correspondent Writes:

A senior, Union Home Ministry functionary flew to Chandigarh on Sunday for talks with top Akali politicians and reassured them of the Centre's intention to stick to the time table laid down in the Rajiv-Longowal accord.

He is also stated to have implied that the constitutional hitch over Chandigarh's transfer would be overcome by calling special sessions of Parliament and the Punjab and Haryana Assemblies at an early date.

Alternatively, administrative control could be handed over to the Punjab pending de jure transfer. As for the hitch posed by the delay in the Mathew Commission's verdict regarding Punjab territory to be exchanged with Haryana in lieu of Chandigarh, he hinted that an out-of-court settlement was being worked out under the Centre's aegis. The Haryana Chief Minister, Mr. Bhajan Lal declined to confirm or deny this.

It is believed that the Prime Minister, Mr. Rajiv Gandhi, will summon Mr. Barnala and Mr. Bhajan Lal to Delhi in the first or second week of January for joint consultations and the likely initialling of an accord to sort out differences.

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CSO: 4600/1290

INDIA

BRIEFS

POLISH, GDR TRADE--India signed in Delhi on Tuesday two trade protocols for 1986, one with German democratic Republic and the other with Poland, reports PTI. The protocol signed with GDR envisages a trade turnover of Rs. 414 crore, with imports and exports projected at Rs 207 crore on a balanced basis. The protocol between India and Poland provides for a trade turnover of about Rs 460 crore during 1986. A long term trade plan for 1986-1990 in regard to certain specific commodities was also concluded between the two countries. It was also agreed to continue the rupee trading arrangements for the next five years. A trade and payments agreement between the two would be signed at a minister-level meeting when Commerce Minister Arjun Singh visits Poland shortly, it was announced. [Text] [New Delhi PATRIOT in English 19 Dec 85 p 2] /12828

CSO: 4600/1285

IRAN

SOVIETS SAID SEEKING ARMS MARKETS IN PERSIAN GULF

GF121511: London KEYHAN in Persian 2 Jan 86 p 4

/Text/ Kuwait--A high-ranking Soviet diplomat arrived in Kuwait on Saturday, 21 December for a 4-day visit. Diplomats residing in Beirut state that the Soviet delegation was visiting Kuwait to find fresh markets in other parts of the Persian Gulf to sell arms made in the Soviet Union. These high-paying markets had so far been closed to Moscow. A Western diplomat said: This visit is possibly to search for arms markets in areas farther down the Persian Gulf.

Gen Vladimir Govorov, Soviet deputy defense minister, is visiting Kuwait as the head of a high-ranking delegation consisting of members of the Soviet Ministry of Defense.

Since the Arab-Israel war of 1973, the GCC member countries (Saudi Arabia, Kuwait, Oman, Bahrain, Qatar, and the UAR) have become the biggest arms market in the world. Except for Kuwait, which is a major buyer of Soviet arms, the remaining countries of the GCC have so far been buying arms from Britain, France, and the United States.

The Soviet Union and the UAE announced last month that they would soon exchange ambassadors. Oman had some weeks earlier announced the establishment of diplomatic relations with the Soviet Union.

Pogos Akopov, Soviet mabassador in Kuwait, attended the Bahrain National Day reception in Kuwait. Diplomats say that the Arabs establishing diplomatic relations with the Soviet Union is taking place as they are highly angry about the U.S. policy in the Middle East, especially over its continued support for Israel. Nothing has been said about General Govorov's visit to other countries in the Persian Gulf, but one diplomat said: Kuwait has been a springboard for the latest successes of the Soviet diplomats in the Persian Gulf and the Soviet Embassy in Kuwait has prepared sound ground for this.

Saudi Arabia has earmarked more than a third of its 1984-85 budget for defense and is at present beyond the reach of Soviet efforts to sell arms to it. Some time ago the minister of defense of Saudi Arabia announced that Riyadh has no intention of restoring diplomatic relations with the Soviet Union.

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CSO: 4640/141

IRAN

# OPPOSITION PAPER REPORTS ON DISSOLUTION OF ARMY

GF121301 London KEYHAN in Persian 9 Jan 86 p 6

/Editorial: "Khomeyni's Intentions in Respect of the Army"/

/Text/ Ayatollah Khomeyni suddenly, amidst war, took a bold, miscalculated, and amateurish step to dissolve the army and instructed the guards corps to establish their own army, navy, and air force.

He is now trying to make up for his big mistake. He is highly praising the army and in one of his speeches he has stated that the army is the "strongest arm of the Islamic revolution." He now thinks that these things are necessary to retract his earlier remarks.

However, Khomeyni's praise for the army appeared highly exaggerated compared to his inner and deep hatred toward the traditional armed forces of Iran. In the speeches in which he praised the army, he said: The Mojahedin-e Khalq organization (or in his own words the "hypocrites") wanted dissolution of the army from the very beginning.

It was only by chance that this time the ayatollah told the truth, not because he wanted to tell the truth, but to make his earlier lies more palatable to the soldiers. His biggest lie was that he himself was, from the very beginning, against dissolving the army.

In actual fact the ayatollah is basically in favor of dissolving the army, however it was only the time factor on which he differed with the Mojahedin-e Khalq. The reason being that the Mojahedin, from the beginning of the revolution, had a noteworthy armed force at their disposal, but at the time the ayatollah did not have his own armed force, the guards corps, which he could trust and lay faith upon.

Circumstances and events, presumably including the war with Iraq, have forced him to shelve plans to dissolve the army, but it has never been out of his mind. As soon as a suitable opportunity arises, his regime will not lose a moment in dissolving the army. His primary aim is to limit the jurisdiction of the army in various matters, transferring the martial law courts to the cleric judicial system and shifting matters related to the martyrs to the Martyr's Foundation. It is toward this desired end that he may be able to dissolve the army whenever he thinks fit, or he may merge the army into the guards corps so that it ceases to exist.

Therefore, when the army commanders were recently sent to pay their respects to Ayatollah Golpayegani /occasional critic of the Islamic regime/, it served as a dual deception. The army would appear to have the backing of the religious authorities while serving as an apparent shield against the widespread dissatisfaction found in the Qom seminaries.

/12228

CSO: 4640/141

IRAN

# ARTICLE EXAMINES MOTIVES FOR KHARG ISLAND BOMBING

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 pp 48-49

[Text]

**IF** During the past month, the western press has performed a smart "about-face" on the future prospects of the Gulf War and the possible "victor" in the five-year struggle. The heavy bombing of Kharg Island — the major Iranian oil export terminal — during the months of August and September was first heralded as the beginning of the end of the war. The Iraqis appeared finally to have inflicted a wound on the vulnerable part of the Iranian economy, sufficiently serious to force Iran to the negotiating table. With the quick resumption of Iranian oil exports, however, the resilience of the Iranian oil export capability became increasingly acknowledged. A recent paper by the London-based Institute of Strategic Studies actually calls Iran the victor on the economic front of the Gulf War. There are, however, suggestions that the bombing of the Iranian oil export terminal was perhaps motivated by objectives not entirely confined to the war between the two countries. The coincidence of the bombings with the efforts of some Gulf states to increase their share of oil exports within Opec, including the Iraqi resumption of oil exports through the pipeline connected to the Yanbu terminal in Saudi Arabia, may not have been entirely gratuitous. The fact that oil prices actually picked up, despite the increase in exports from Iraq and other Gulf states in the aftermath of the Kharg bombardment, supports the suggestion that the effective but nevertheless limited destruction of Iranian oil export facilities may have been a deliberate attempt to forestall the undesirable price effects of the more aggressive marketing policies of the Gulf states. The politics of oil rather than the politics of the war between the two belligerent nations, according to this alternative hypothesis, underlies the bombing of Iranian oil installations. If this is the case, then the bombardment of the Kharg island installation is not the beginning of the end of the Gulf War, but rather, the beginning of the end of Opec.

The significance of oil exports in the Iranian economy cannot be underestimated. Oil exports are not only necessary for financing the war, they are vital for the normal functioning of the country. Oil revenues this year are projected to provide about 80 per cent of Iran's

government budget, of which almost 30 per cent is devoted to the war effort. Oil also accounts for 95 per cent of Iran's foreign exchange earnings, vital not only for the import of war equipment and industrial raw materials, but also for a large share of the supply of essential goods such as rice, wheat and meat to feed the 40 million population of the country. Kharg Island is in turn vital for oil revenues, as it exports 90 per cent of Iranian oil, close to 1.5m barrels a day. Another 200,000 barrels a day are being exported from the Lavan Island.

The destruction of the Kharg Island installation, therefore, could have had a devastating effect on the Iranian economy. Last summer, two consecutive Iraqi attacks, one on August 15 and the other on September 19, managed to put a major part of the Kharg terminal out of action. The Iraqi raids put ten out of the island's 14 berths out of action. Nevertheless Iranian oil exports in October averaged 1.7 million barrels a day, which was even more than they had been before the attacks on Kharg. Two factors account for this apparent paradox. The first one was the speed with which the Iranians managed to repair the damage. Two of the damaged berths were quickly repaired increasing the number of berths presently under operation to four. Iran's relatively higher degree of technological self-reliance, compared to Iraq, has been an important source of strength in the economic war. While the Iraqi raids have depended on the timely delivery of Exocet missiles and Super Etendard jet fighters from France, the Iranian repairs have been largely dependent on indigenous technology and know-how.

The second factor has been the huge capacity of exports from the Kharg Island. The island is one of the world's biggest export facilities, and even with ten out of its fourteen berths out of action it still has a substantial export facility. Iran is now setting up some bomb-resistant, floating terminals with a capacity of 300 to 400 thousand barrels a day, which are expected to come into operation within a year. As a further precaution against the Iraqi air raids, Iran is also building a pipeline from Bandar Geneveh, on the coast north-east of Kharg, down to Lavan Island near the Strait of Hormuz, well out of the reach of Iraqi planes.

It does not, therefore, appear that Iraqi raids could cut the supply of Iranian oil in the foreseeable future. It nevertheless remains true that any temporary disruption or decline in Iranian oil exports, if not determining the final outcome of the war, would still be beneficial to the Iraqis as they compete with Iranian oil in the international markets. The oil quota dispute between Iran and Iraq in the Opec Ministerial Meeting last October in Vienna, was a reflection of this conflict of interests.

The battle for market shares in the oil market between the two countries began in earnest only last September, when the Iraqi pipeline to Yanbu terminal started working. During the course of the war Iraq's export capacity dropped from more than three million barrels per day in 1979 to below one million barrels per day by 1984. The war destroyed Iraq's Gulf export



terminals, and Syria blocked the pipelines which fed oil from the Kirkuk field to the Mediterranean coast. The modest amount of Iraqi oil exports in this period was carried by the only remaining pipeline — the northern branch line through Turkey. The opening of the pipeline from Iraq's Rumaila and Zubair fields to the Saudi Arabian Yanbu terminal has at least doubled Iraq's export capacity. Eventually, it may provide an additional 1.6 million barrels a day for exports.

The marketing of this additional export capacity could have led to the latest upsurge of Iraqi raids on Iranian oil installations, as well as the oil quota clash in the last Opec ministerial meeting. All this happened at a time when other Gulf states were also pressing for higher oil exports. Two objectives could have been served by the temporary disruption of oil exports from Kharg Island. First, such a disruption would have resulted in a strengthening of oil prices and facilitated the absorption of higher exports from other oil exporting countries of the Gulf. This effect did indeed materialise, on the cutback in Soviet Union oil supplies, itself due to the disruption of Iranian oil exports to Eastern Europe, and the expectation of possible retaliatory action by Iran strengthened the oil prices at a time of relatively fast growth of supplies. The second effect of such a temporary disruption in Iranian oil exports could have been to bend the Iranian customers towards the Iraqi crude newly on offer at Yanbu terminal, risk-free and with a hefty discount. The Japanese who were Iran's best customers, are a case in point.

The recent government reshuffle in Teheran and the more hard-line stance of the government in maintaining the level of exports is another reflection of the new dimension of the war. Golamrrega Aghazadeh, the new oil minister in Teheran, has emphasised the new policy of keeping up the level of output at any cost. In his first speech to parliament he emphasised his backing for barter deals. The tanker-tracking estimates of Iranian oil exports indicate that Iranian exports have been soaring recently. It appears that the stage is set for a vicious price-cutting war between the combatants in the Gulf War. Such a war would certainly draw in other oil exporters. The effect of such a price war for the Muslim countries of the region would be disastrous. It would certainly have broader de-stabilising implications for the world economy and other oil exporters as well. What is more, once the precedent is set for fighting economic competition with explosives and bombs, it is not certain where such a price war might take the region as a whole. □

/12379


CSO: 4600/170

IRAN

EFFECT OF WAR ON IRAQ'S ECONOMY EXAMINED

East Burnham ARABIA: THE ISLAMIC WORLD REVIEW in English Dec 85 pp 58-60

[Text]

 Two key elements have shaped the Iraqi economy in the recent past: oil and the Iran-Iraq war. Oil has been the primary catalyst to change in Iraq, expressed mainly through revenues to the government and the transformation of an agrarian economy into one dominated by oil. In 1958, around 20 per cent of the country's wealth stemmed from agriculture. At the time, some 57 per cent of the population resided in rural areas. By 1980, agriculture amounted to only 7 per cent of the Gross National Product. The changes in the country's demography were even more dramatic; over 70 per cent of Iraq's population had become urbanised. In the intervening 22 years, growth of petroleum output and the burgeoning of services associated with oil, and state expenditures promoted by oil revenues, comprised 86 per cent of the GDP. Iraq had by then taken on all the characteristics of an oil economy. This transmission from country to town was accelerated by government investment policies which favoured industry and the building of the country's infrastructure. In addition, construction projects had a heavy urban bias with the resultant pull of labour from the rural countryside. The shortage of labour in the countryside was so drastic that even before the war with Iran, the government had been forced to provide labour during peak periods of demand in agriculture through the voluntary recruitment of students.

Even where investment was made in the rural areas through the building of dams and reservoir storage schemes on the Tigris and Euphrates rivers, the emphasis was on spectacular engineering feats at the expense of improving the provision of water for irrigation at the farm level.

Hence, although nearly half of Iraq's total surface area of 477,964 square kilometres is believed suitable for agriculture, at present only about 125,000 sq km, according to government sources, are used for cultivation in any one year. While most of the rural dwellers are forced into livestock holdings, which provide more than half of their income.

The concentration of the population in urban areas and the diminishing output from the agricultural sector has meant that Iraq has become a net food importer. In 1982, foodstuff imports comprised 18 per cent of the country's total imports.

Although agriculture has been lagging behind and its contribution to the GDP has fallen at an annual average rate of 1.8 per cent, Iraq did experience a rapid rate of growth in the 1970's. Industry, mainly accounted for by oil, increased at an annual real rate of 13.6 per cent per year between 1970 and 1979, while the service sectors, closely tied to oil grew at 10.4 per cent per year.

The oil wealth was used to generate development projects. Great efforts were made to improve education facilities. By 1978, all children could attend primary schools. There was also a rapid expansion of higher education facilities and by 1979, there were reported to be 174,000 persons enrolled in advanced institutions and universities. The quality of life of Iraqis was also improved through the availability of health facilities, which extended even into remote rural areas. In 1980, there were 7540 medical doctors working in Iraq, the equivalent of one doctor per 1790 persons.

During this period, Iraq, which had been a net labour exporter during the 1960's became a net labour importer

during the 1970's. After the oil boom of 1973, the government instituted a liberal immigration policy, which was particularly favourable towards the inflow of Arab labour. By 1977, the expatriate population numbered around 290,000, out of whom about 145,000 took part in the work force. These figures represented 2.4 per cent of the population and 4.8 per cent of the work force, respectively. Two noteworthy trends during the 1970's, were the acceleration in population growth and the significant deceleration in labour growth.

At that time, Egypt represented the most ready source of labour for Iraq. It is estimated that about two-thirds of the expatriates working in Iraq were Egyptians. By 1980, the number of expatriate workers in Iraq had reached 500,000 while the corresponding figure for expatriate population (including dependents) was about 1,000,000. The ratios of expatriates in the population and the labour force has increased substantially since 1977 to 7.0 per cent and 13.7 per cent respectively.

The war with Iran has undoubtedly caused further shifts in the structures of population and labour. The military mobilisation of the country resulted in substantial withdrawals of Iraqis from the civilian workforce. Since 1980, the migration of Arab workers, particularly from Egypt and Morocco, has accelerated in order to make up the gap. It is believed that at present there are 2,000,000 immigrant workers in Iraq and the estimate of the expatriate population is 4,000,000. The fact that the war has claimed the lives of over 100,000 Iraqis must have made the dependence of Iraq's economy on immigrant Arab labour even more crucial.

Iraq's capacity to finance its war effort was hindered in the initial period by two factors: firstly, at the outset of the war, Iraq's government totally underestimated the latent strength of the Iranian government and its popularity amongst its civilians. They saw the Iranian government as one riddled with internal contradictions and on the brink of collapse. Therefore all that was required to topple it was a catalyst, which the Iraqis thought they were providing. Consequently, the disruption caused by the war and its burgeoning costs were seen as likely to be of short duration so that the government spending on both imported consumer

durables and on development payments pressed ahead regardlessly under a government slogan of "business as usual". The effects of the import of consumer durables were immediately reflected in the trade balance which was drastically reduced from a surplus \$14,463 million in 1980 to a deficit of \$11,879m in 1982.

The insistence on maintaining comparatively high investment targets in the civilian sector overstretched labour, financial and infrastructural resources. In 1980, the last normal budgetary exercise before the impact of war assumed total dominance of the situation, there was an ordinary budget of ID14,103m (Iraqi dinars), with the largest share allocated to investment programming totalling ID5240m. Total expenditure by the government in 1981 increased to ID19,750m. By 1982, it was clear that the state was under-equipped to sustain both the war and a general programme for internal economic development. Towards the close of 1982, the government formally acknowledged the dropping of all payments other than those essential to the war effort.

By 1984, the government had abandoned all pretence that its civilians could afford the luxury of imported consumer durables or that development could be sustained; no budget figures were issued for investment programmes and construction development came to a halt. The austere measures on imported consumer goods are reflected in the 1984 trade balance which is back in the black at \$519m.

The second factor which led to a combination of stringent planning and financial caution by the Iraqi government was the highly effective Iranian retaliation on Iraqi oil installations in the south which put Iraq's Gulf oil terminals out of action. Furthermore Iran's alliance with Syria brought the closure of the former Iraq Petroleum Company (IPC) pipeline which runs from Kirkük to the eastern Mediterranean through Syria, the capacity of which was 900,000bd (barrels per day). This left Iraq dependent on a sole outlet for its oil exports, through Turkey. Iraq's exports of crude oil and refined products fell to 800,000bd in 1984 from around 2.5m bd in 1980 (see table).

A major change occurred as Iraq's financial fortunes declined during the war, which by 1983 was costing about \$10m to \$15m a day. By late 1982, Iraq had begun

negotiations to raise funds on the international capital market and a first loan of \$500m was sought, ending a long period during which Iraq had avoided any significant international borrowing.

Since the start of the war, Iraq has drawn large sums (subsidies) from the Arab oil exporting states of the Gulf, including \$20 billion at the onset of the war. Latest estimates suggest that total foreign debts amount to more than \$80bn, of which well over half have been drawn from friendly Arab states. Of the residue, the USSR, France and Japan are the major creditors. According to some economists, Iraq's international debts are fast becoming its new foe as the war with Iran drags into its sixth year.

Overall, the strategy of Iraq's financial authorities is based on non-payment of all Arab loans and a gradual recycling of other debts by meeting some repayments but finding replacement credit wherever possible. However, the renewal of loans on a recurring basis has caused increasing anxiety among Iraq's creditors. Japan and West Germany are recent examples, having reluctantly accepted yet another rescheduling arrangement for outstanding debt — the third and fourth such arrangement in some cases.

Meanwhile as Iraq's ability to export its oil increases so "barter" deals become more useful. Already Yugoslavia, Brazil and France have accepted deliveries of crude to act as part payment for debts already incurred. Recently it was reported that Iraq was seeking a contract to sell 50,000bd of crude to Canada — itself one of the world's biggest oil producers. It is believed that this counter trade proposal is connected with Canada's grain sales to Baghdad, which amounted to about 50,000 tonnes in 1984.

Ironically, the debt burden is introducing a tight new constraint to the economy, as prospects are looking better than they have since the start of the war. In July, local newspapers enthusiastically reported the imminent completion of the \$500m spur line through Saudi Arabia, the capacity of which is given as 500,000bd. The second phase of the project — which involves the construction of a pipeline, parallel to the Saudi Petroline, to a new

terminal south of Yanbu on the Red Sea — is already at an advanced stage of planning. The completion of the project could take up to two years, after which capacity will be some 1.6m bd. This however could result in Saudi Arabia and Kuwait ceasing to sell crude for Iraq — a form of hidden financial subsidy which has involved up to 370,000bd until now.

The parallel export line through Turkey is expected to go ahead too. This could increase the capacity of the Turkish pipeline to 1.5m bd by 1987 from the present capacity of 500,000bd. Iraq is also negotiating with Jordan and US businessmen over the proposed Iraq — Aqaba export line, though some sources believe that the project has tended to decline in importance as the Saudi Arabia and Turkish lines have advanced towards realisation.

Although much is being made in Iraq of the positive effects that will result from the opening of the above pipelines, a note of caution should be added. As noted earlier, there is no guarantee that Iraq will continue sales from the Divided Zone (by Kuwait and Saudi Arabia and sold on Iraq's behalf) after 1985. Higher export capacity — which could reach 2m bd by mid-1987, with the opening of the Turkish line and 3.1m bd in 1988, when the Saudi pipeline's second phase is due for completion — will not necessarily mean higher export sales. Iraq needs to obtain an OPEC agreement for increased sales, and if it chooses to ignore its present OPEC quota of 1.2m bd, it could risk a significant drop in prices given the present international glut.

More importantly, the improvements in oil capacity and revenues which could augment oil income by at least 50 per cent will not however, lessen Iraq's dependence on external credit in general and Gulf money in particular. The persistence of war conditions will dictate that the country will be forced into further borrowings of at least \$5bn a year — most of which, it hopes to raise from the Arab Gulf states. Consequently, the equivalents in oil exports will be on a scale entirely insufficient to enable Iraq to avoid incurring new overseas debts — let alone to pay off past loans. □

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CSO: 4600/170

IRAN

COMMENTS ON ABDUCTION OF CLERGYMAN

GF090806 Free Voice of Iran in Persian 1500 GMT 8 Jan 86

/Excerpt/ The selection of Mr Montazeri to be the leader and Vali-e-Faqih after Khomeyni's demise has been deemed a major insult in practice to the grand sources of emulation and has been described as trampling upon their honor and station and the most dangerous blow to the sublime form of jurisprudence yet.

One questions the propriety and legitimacy of the selection. Consider the presence of Iraq /as heard/ of his Eminence Ayatollah Khoy and other sources of emulation of similar stature, such as the Grand Ayatollahs Shari'atmadari, Golpayegani, Mar'ashi-Najafi and others in Qom, as well as Ayatollah Qomi in Khorasan and so many other senior ayatollahs who are sagacious and perceptive of national and current affairs in all Muslim countries, particularly Iran. Yet Mr Montazeri, a simple seminarian of the Qom theological seminary, has been introduced as the guardian and Vali of 40 million Iranians and 800 million Muslims around the world, as well as the guardian of the sources of emulation and the great Shi'ite 'ulema. This selection was based on the ambiguous and spurious principles of the Velayat-e Faqih, which are unheard of throughout 1,400 years of Islamic and Shi'ite jurisprudence and which have no precedence in any Islamic canonical literature, and has been documented in the unfounded constitution of the Islamic Republic, which is not even respected or followed by Mr Khomeyni or his cohorts and acolytes.

The person who issued this communique, Ayatollah Sadeq Rowhani, was abducted by the Guards of the Velayat-e Faqih regime. No news or clue about the abducted ayatollah has been obtained.

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CSO: 4640/142

IRAN

NVOI CARRIES JOINT TUDEH-FEDA'IYAN-E KHALQ MESSAGE

TA142034 (Clanedestine) National Voice of Iran in Persian 1730 GMT 14 Jan 86

/Text of message by Central Committees of the Iranian Tudeh Party and the Feda'iyān-e Khalq Iran Organization, Majority, addressed to the people of Iran and the world/

/Text With immense anger and indignation we announce that once again a group of leaders and responsible cadres of the Feda'iyān-e Khalq Iran Organization, Majority, and the Iranian Tudeh Party, together with a larger number of the struggling children of the tormented and calamity-stricken Iranian people, have been delivered to the firing squad at the verdict of the Islamic Republic regime or have lost their lives under torture.

The Islamic Republic regime of Iran savagely violates even the most elementary rights and political and social freedoms of the people. In our homeland all parties, organization, and any kind of political or even trade union activity are subjected to the most crude police persecution. Strikes, labor protests, peaceful assemblies, and people's marches are suppressed. Oppression and injustice against ethnic and religious minorities knows no bounds. The government insults and humiliates women with the most banal methods.

Scores of thousands of people have been thrown into prison solely for having opinions other than those preferred by the ruling regime. Political prisoners in Iran are subjected to extended physical and mental tortures. In many cases prisoners are dispatched to the firing squad without going through any trial at all. In all cases prisoners are deprived of the right to self-defense or the right to retain defense attorneys. All the accused are tried and convicted secretly, with no exception. The regime even refuses to deliver the corpses of the prisoners to those entrusted with the will or even to officially confirm the reports of the executions. The regime, with the power of intolerable tortures, tries to induce prisoners to deny their beliefs and to endorse the ideology and policy of the ruling reaction.

In recent months alone hundreds of people have been executed under the charge of defending peace and democracy, defending the rights of workers, peasants, women, and religious minorities, and for adhering to Marxist beliefs. The resolution of the 40th session of the UN General Assembly regarding the violation of human rights by the Islamic Republic of Iran is an example of international protest against the escalation of atrocities by Iran's regime.

With deep indignation we condemn this brutal and criminal treatment of political prisoners. We respond to these crimes by intensifying the struggle against the repression and oppression that has been imposed on our people. We call on all progressive parties and organizations that defend personal and social rights and freedoms to utilize all their potential to prevent the massacre of Iranian political prisoners. We invite all people of our homeland to further raise their voice of protest against terror, repression, torture, and execution.

/Signed/ Central Committees of the Iranian Tudeh Party and the Feda'iyān-e Khalq Iran Organization, Majority.

Dated 19 December 1985.

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CSO: 4640/142

PAKISTAN

PACKAGE MANPOWER DEALS PROPOSED

Karachi BUSINESS RECORDER in English 7 Jan 86 p 1, 10

[Text]

LAHORE, Jan 6: There is an urgent need that the government should give priority to increasing the size of remittances, finding new markets, and encouraging the resettlement of returning migrants because of the importance of remittances in the economy of the country.

In an interview, a prominent economist of the country and Head of the Department of Business Administration, University of Punjab, Prof. Khawaja Amjad Saeed, said that inflow of remittance in Pakistan was declining after 1982-83 and the point of concern was that in the Sixth Five-Year Plan it has to reach a level of 4,221 million dollars by 1987-88. The remittances received during the year 1984-85 were registered at 2,450 million dollars against 2,886 million dollars in the year 1982-83.

He stressed the need for accelerating the pace of increase in remittances and exports to have an access to greater foreign exchange for boosting here efforts for economic development.

Outlining a 12-point proposal Amjad Saeed said, that the government should enter into a package deal with foreign countries employing outside manpower, the counter trade arrangements can be extended in this area also.

Employment generation at home be prompted by encouraging labour intensive to technology, special tax shelter economic zones be

started for migrants, for discouraging the Hundi system, and some extra benefit on the prevalent exchange rates be allowed to them.

Possibility of giving compensatory rebates be examined, the existing investment ceiling of cottage industry of Rs. 100,000 be raised to Rs. 500,000 so that an incentive is given to migrants by way of tax benefits.

The head of the Bureau of Emigration and Overseas Employment should be from the private sector as has already been done in the case of the Export Promotion Bureau. Pakistani engineering, construction organisations and consultants in foreign countries should be persuaded to employ Pakistanis.

Contracts entered into by Pakistani workers should be strictly adhered to. The government role be strengthened in this area.

Lengthy and time-consuming procedures involved in manpower export and home remittances should be simplified and banking services be improved for prompt payment of remittances to families in Pakistan and the Bureau of Emigration and Overseas Employment should reconsider its policy about fixation of salaries.

The economist stressed that rather than encouraging luxury items under the ruies encouragement for import of machinery items of small and cottage industries like

industrial sewing machines for developing garment industry, woollen and cotton knitting machine for developing hosiery industry, mini-lathe machines for encouragement of small tool industry, shoes, toys and dolls making machines, elector-plating machines, plastic goods manufacturing machines, leather cutting, stitching and polishing machines and upto certain limit custom duty should be entirely waived on such machines. He said that personal baggage items should be extended to commercial vehicles, pick ups, vans, motor cycle scooters, bicycles, tractors (in C&D form) and suggested to follow a liberal policy in import of agricultural implements.—PPI.

/12828

CSO: 4600/172



PAKISTAN

SEVERE SLUMP IN POWER PRODUCTION REPORTED

Karachi BUSINESS RECORDER in English 7 Jan 86 p 1

[Text]

LAHORE, Jan 6: Power production under Wapda system has slumped by over 50 per cent during the current week leading to the present acute load-shedding, Wapda sources said here today.

The situation would however, improve with the reopening of canals by the end of current month and commissioning of five new thermal power units at Guddu by March next, the sources added.

However, the sources deeply deplored the non-cooperation both from the general public and the government and private establishments in the conservation of energy during the present crisis. The continued waste of electric power by room heaters and other electric appliances during peak hours and also on weddings, despite the repeated appeals from Wapda only reflected an acute lack of national spirit, the sources added.

Explaining the position of power generation, the sources said that during the last couple of days, power generation at Tarbela power station, having installed capacity of 1750 mw, had come down to only 300 mw mainly due to the closure of canals. Likewise, Mangla power station was producing only 200 MW as against its installed capacity of 800 mw.

**THERMAL POWER**

As regards thermal power, the sources said the total thermal power generation capacity of the Wapda network was 1574 mw. The

normal rate of thermal power generation in different countries was between 60 and 65 per cent of the installed capacity. As against this, Wapda's thermal power system was currently generating 70 per cent of the installed capacity, which was above average.

The five new thermal power units at Guddu would have a total capacity of 610 mw, the sources added.

The sources pointed out that the water releases from Tarbela and Mangla dams for irrigation purposes were controlled by the Water Management Board which comprised the representatives of the federal government and all the provincial governments.

The source said the impression of the general public that the recent rains should have improved the power situation, was wrong and explained that to the contrary, the rains curtailed the demand for canal water which led to reduced water releases from the dams thus leading to further reduction in hydle power production.

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CSO: 4600/172

4 February 1986

## PAKISTAN

## GOVERNMENT TO IMPORT SUGAR

Karachi BUSINESS RECORDER in English 8 Jan 86 p 1

[Text]

ISLAMABAD, Jan 7: The Economic Coordination Committee of the Cabinet which met here today under the chairmanship of the Federal Minister for Finance and Planning, Dr Mahbubul Haq has taken a number of decisions to stabilize the prices of sugar in the country at a reasonable level.

The meeting was attended by the Federal Ministers for Food and Agriculture, Commerce, Industries, Minister of State for Petroleum and Natural Resources, Special Assistance to the Prime Minister for Food and Agriculture, Deputy Chairman, Planning Commission, Governor State Bank of Pakistan, federal secretaries of Food and Agriculture, Finance, Planning and Development, Petroleum and other high ranking officials.

The Cabinet Committee reviewed the progress of sugar production during the current crushing season and recorded its satisfaction over the fact that upto the end of December 1985, this output of the sugar mills in the country has been 9.3 per cent higher than the corresponding period last year.

With this background, considerable concern was expressed at the meeting over the increase in the retail prices of sugar in the country which is clearly attributable to the speculative factors.

To curb this tendency, the ECC decided that the public sector should immediately arrange for an initial import of at least 100 thousand tons of good quality sugar. Necessary foreign exchange authorisation was made to enable the concerned ministries to immediately initiate action for the early arrival of the sugar imports.

At the same time in order to encourage private sector's imports of sugar and to stabilize sugar price in the market, the ECC decided to lower the Import Duty on sugar by one rupee (i.e. from Rs 5 per kg to Rs 4 per kg). This is the second reduction in the Import Duty.

It may be recalled that early in the financial year, the Import Duty had been reduced from Rs 6.50 per kg to Rs 5.00 per kg.

The question of import of raw sugar for the sugar mills in the NWFP was also discussed. The modalities will be worked out and a decision would be taken shortly by the government.

The ECC directed that the price policy for sugarcane for the next crushing season should be submitted before the sowing session so that it is submitted to the Cabinet for its approval and the decisions are taken well in time. The support price of sugarcane for the current season would, however, remain unchanged.-PPI.

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CSO: 4600/172

PAKISTAN

BRIEFS

PRC BORDER TRADE CARAVAN--A 29-member Chinese border trade caravan arrived in Gilgit this afternoon after a night's stay in Hunza. The caravan has brought along with it goods worth 2.5 million rupees. It will hold talks with officials of the northern areas on matters regarding border trade between the two countries. [Text] [Karachi Domestic Service in Urdu 1500 GMT 6 Jan 86 BK] /8918

RISE IN EXPORTS--Pakistan's exports during the last fiscal year rose to nearly 38 billion rupees against 13 billion rupees 7 years ago. The gross national product during this period witnessed a real growth at the rate of 6 percent per year. [Text] [Karachi Domestic Service in Urdu 0200 GMT 9 Jan 86 BK] /8918

MINERAL DISCOVERIES--According to a report by expert geologists, huge deposits of coal have been found in Chitral. An expert scientific research team has obtained 120 mineral samples from the area. Contained in these samples also consist of 1 percent copper. Some experts say that one sample contained even more gold and silver than mentioned. The Pakistan Mineral Development Corporation started explorations through the cooperation of an Australian firm, but found nothing. Later, however, Pakistani experts began explorations. They found several samples last October and the report that they have prepared on these finds is very encouraging. The fact is that there is no dearth of minerals in Pakistan, only the modern technology needed to find them. It is believed that Pakistani specialists, if given the task, would prove useful. It was through the leadership of Dr Muhammad Asad Khan that over the past 2 years there has been a 94 percent increase in oil production. The credit for this goes to Pakistani geologists. It is hoped that the Ministry of Natural Resources would pay more attention to mineral exploration in the Chitral region. These mineral deposits can change the fate of the nation. [Text] [Lahore JANG in Urdu 5 Jan 85 p 3 GF] /8918

ADB, JAPAN LOANS--The Asian Development Bank [ADB] has approved a loan of \$100 million to Pakistan for the development of industrial projects in the private sector. The ADB has also approved a loan of \$108.5 million for the widening and remodelling of the existing canals and construction of 265 minor canals in the Nasirabad District of Baluchistan. Japan is also contributing \$30 million for the project. [Summary] [Karachi Domestic Service in English 1005 GMT 7 Jan 86 BK] /12858

EXPORT OF SUZUKI CARS--LAHORE, Jan 7--The Federal Minister for Production Mohammad Khaqan Abbasi disclosed here today that Pakistan would export Suzuki cars to seven Arab countries with an agreement with Japan. He said that Suzuki Motors Ltd of Japan had also agreed to train the Pakistani engineers and technicians to maintain the quality of the car. The minister said that although Suzuki manufacturing plant was running in a loss but such industries were necessary in the country to create job opportunities for the people. [Text] [Karachi BUSINESS RECORDER in English 8 Jan 86 p 1] /12828

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END